PLACE IN RETURN BOX to remove this checkout from your record.
TO AVOID FINES return on or before date due.

DATE DUE	DATE DUE	DATE DUE

MSU Is An Affirmative Action/Equal Opportunity Institution
c:\circ\datedue.pm3-p.1

THE PROPHET OF MONEY: LOCKE'S POLITICAL ECONOMY

By

Stewart Wilson Gardner

A DISSERTATION

Submitted to
Michigan State University
in partial fulfillment of the requirements
for the degree of

DOCTOR OF PHILOSOPHY

Department of Political Science

1997

ABSTRACT

THE PROPHET OF MONEY:
LOCKE'S POLITICAL ECONOMY

By

Stewart Wilson Gardner

The appearance of money makes the pivotal moment in John Locke's political theory, a key source of modern liberal political thought. This study examines the most comprehensive of Locke's writings which deal with money directly: *Some Considerations of the Consequences of the Lowering of Interest, and Raising the Value of Money. In a Letter to a Member of Parliament.* 1692. (*Some Considerations*) A consistent doctrine is hypothesized which explains both the work's internal coherence and its coherence with the rest of Locke's corpus. It is asserted that the demands of politically effective rhetoric lie behind what are only apparent inconsistencies in Locke's texts, especially the apparent inconsistency between those aspects of his thought that at first appear to be the foundation of *capitalist* economics and the manifestly *mercantilist* character of the policy recommendations which he actually made. Evidence is given to sustain the claim that a more coherent understanding of the philosophy at the root of liberal democracy demonstrates the necessity of prudent limits to the 'mechanical' operation of markets.

The Introduction describes the problem and then, along with Chapter One, takes up methodological considerations as they apply to interpretation in general, and in particular to Locke and *Some Considerations;* Chapters Two through Four take the form of a commentary on the core of *Some Considerations;* Chapter Five is an investigation

into the character and sources of Locke's *natural law* doctrine; Chapter Six outlines the view of political economy to which this study leads; and the Conclusion summarizes and outlines the limits of the study.

Copyright by
Stewart Wilson Gardner
1997

To my Mother, Ruth Wilson Gardner,
and the memory of my Father, Herman Eldon Gardner.

ACKNOWLEDGMENTS

Strict justice would require that I here thank everyone who has been influential in my education, of which this dissertation represents the culmination of a formal phase. Human limits oblige me to start much later, though without neglecting to thank my Mother, whose intellectual and other care proceeded even to proofreading drafts of the present work; and my Father, who was a model for exhibiting and admiring intellectual excellence. Both have also been much more to me.

During my first term in graduate school Professor Cleo Cherryholmes broke down the walls of positivist social science to intimate the more humane concerns that lay below. Professor Arthur Melzer then introduced me to Aristotle; Professor Richard Zinman to Plato. In the Autumn of 1990 I went to Professor Melzer's office to ask him to direct me in a readings course in order to develop some theoretical background for my dissertation on the politics of education reform. I knew of his expertise in Rousseau and asked if he would not help me to read *Emile.* He insisted that I could not best understand Rousseau without first studying Locke, and suggested I read *Some Thoughts Concerning Education*, as well as Tarcov's and Pangle's and several other pieces touching on the subject. That moment began a chain of events which changed my dissertation, my study of political science, my reading and my life. Professors Cherryholmes, Melzer, Zinman

and Jerry Weinberger have all provided useful encouragement and criticism of this dissertation, stressing always and beyond what I have been able to accomplish, *clarity*.

At the University of Texas - Pan American, Professor Jose Hinojosa gave me constant encouragement and supported me by assigning me helpful class schedules, travel support, and more. Ruben Coronado, Alice Patino and the rest of the staff at Inter-Library Loan made a small library into an excellent large one for me. Bill Turk and Jim Williams have been friends, read parts and encouraged me to finish this project.

Thanking one's friends for the manifold encouragement, assistance and inspiration they give is too daunting a task, but in direct relation to this study, the friendship of Jon Monroe, Matt Fedorchuk and Steve Hartlaub will not bear omission.

Joanne Shellie has helped to care for my family in countless ways, when this project took me away from them in body and mind, if never in spirit. My sons Aaron and Kristofer got in the way, swatted at the keyboard and made it all worthwhile. I hoped to finish this before Aaron was born. He is now a rare three year old who says things like: "Just let me save my dissertation first." My wife, Krista Shellie, has given me love, a home, and a family. Without her this would not have happened.

TABLE OF CONTENTS

LIST OF ABBREVIATIONS x

INTRODUCTION 1
- Economic Writings 3
  - Experience with Economic Policy 9
  - Scholarship: History of Economics 13
  - Scholarship: Political Thought 17
- Implications 29

CHAPTER ONE
WRITING AND MONEY 33
- Interpreting a Judicious Writer 35
- Writing on Money 41
  - Reading Letters Addressed to Others 43
  - The Reader 49
  - 'Ill-formed letter' 56
  - Logical Divisions 58
- APPENDIX TO CHAPTER ONE 63

CHAPTER TWO
THE MARKET'S WAY OF TALKING 66
- Particular One 66
- Particular Two 78
- Just Trade 81
  - Particular Three 82
  - Particular Four 91
  - Particular Five 93
  - Particular Six 100
  - Particular Seven 102

CHAPTER THREE
MONEY'S DUAL VALUE 111
- Particular Eight 111

Particulars Nine and Ten 116
Particular Eleven 123
Particular Twelve 126
Labor Theory of Value 133
Existence as Labor 140
Land 149
Particular Thirteen 149
Keynes 166
Particular Fourteen 174

CHAPTER FOUR
THE STERNNESS OF POLITICS 178
Particular Fifteen 179
The Best Money 183
Particulars Sixteen, Seventeen and Eighteen 183
Particulars Eighteen (cont.) and Nineteen 185
Particular Twenty 192
Price-Specie Flow Equilibrium 198
Particular Twenty-one 202
Political Rhetoric: Lowering the Interest 209
Political Rhetoric: Balance of Trade 213
Political Rhetoric: Sobriety, Frugality and Industry 219

CHAPTER FIVE
L'ÉMULE, OR, ON FASHION 222
Gentlemen 226
Political Fashion 231
The Work Ethic in the Body of Locke's Work 235
Fashion Against Fashion 241
No Justice Without Charity 249
'Tis a gift to be free 257
To turn, to turn, 'twill be our delight 261
Earthly Minds, like Mud-walls 269
Habits of Judgment 278
Prudence 282
Fashionable Judgment and 'Natural Law' 288
Charity and Madness 291
Losing Faith 294

CHAPTER SIX
CHARITABLE JUDGMENT AND THE LIMITS OF GOVERNMENT 297
Mercantilism 301
The Poor Law 303

Irish Linen 306
The Broker Problem 309
Toward Homogeneity 315
Political Rhetoric: Raising the Value of Money 317
Common Terms 327
The Priority of Self-Preservation 328
The New World Order 334

CONCLUSION 338
Ancients and Moderns 343
Priests 346
Fides 352

LIST OF REFERENCES 354

LIST OF ABBREVIATIONS

The following abbreviations and editions have been used in referring to Locke's works.

Adversaria	*Adversaria 1661.* In *Two Tracts on Government.* Edited with an Introduction, Notes and Translation, Philip Abrams. Cambridge: The University Press, 1967.
Conduct	*Of the Conduct of the Understanding.* In *Works* 2, vol. I.
Corres.	*The Correspondence of John Locke.* Edited by E.S. De Beer. In Eight Volumes. Oxford: Clarendon Press, 1979.
Countess	*Locke's draft letter to the Countess of Peterborough, 1697.* In *Educ. Writings.*
Early Writings	*The Early Writings on Interest, 1668-74.* In *Money*, vol. I.
Education (STCE)	*Some Thoughts Concerning Education.* Edited with Introduction and Notes by The Rev. R.H. Quick, M.A. Cambridge: The Cambridge University Press, 1880.
Educ. Writings	*The Educational Writings of John Locke.* Edited with an Introduction by James L. Axtell. Cambridge: Cambridge University Press, 1968.
Essay	*An Essay Concerning Human Understanding.* Edited with a Foreword, by Peter H. Nidditch. Oxford: Clarendon Press, 1975.
First Treatise (1T)	*Book I.* In *Two Treatises.*
FP	*Four Papers relating to the Currency Crisis, 1695.* In *Money*, vol. II.

Further Considerations (FC)	*Further Considerations Concerning* Raising the Value of Money. *Wherein* Mr Lowndes's *Arguments for it in his late Report concerning* An Essay for the Amendment of the Silver Coins, *are particularly Examined.* 1695. In *Money*, vol. II.
Irish Linen (IL)	*Proposal to Encourage the Linen Manufacture in Ireland.* In *The Life of John Locke*. H. R. Fox Bourne. New York: Harper, 1876.
Labor	*Labor, 1693*. In *Money*, vol. II.
Money	*Locke on Money*. Edited together with Ancillary Manuscripts, an Introduction, Critical Apparatus, and Notes by Patrick Hyde Kelly. Oxford: Clarendon Press, 1991.
Naturalization	*For a Generall Naturalization, 1693.* In *Money,* vol. II.
Paraphrase	*A Paraphrase and Notes on the Epistles of St. Paul to the Galatians, 1 and 2 Corinthians, Romans, Ephesians*. 2 vols. Edited by Arthur W. Wainwright. Oxford: The Clarendon Press, 1987.
Poor Laws (PL)	*Scheme for Reform of the Poor Laws*. In *The Life of John Locke*. H. R. Fox Bourne. New York: Harper, 1876.
Questions	*Questions concerning the Law of Nature*. With an Introduction, Text, and Translation by R. Horwitz, J.S. Clay, and D. Clay. Ithaca: Cornell University Press, 1990.
Reading	*Some Thoughts concerning Reading and Study for a Gentleman, 1703*. In *Educ. Writings*.
Reasonableness	*The Reasonableness of Christianity, as Delivered in the Scriptures*. Edited and Introduced by George W. Ewing. Washington,D.C.: Regnery Gateway, 1965.
Second Treatise (2T)	*Book II.* In *Two Treatises.*
Short Observations (SO)	*Short Observations on a Printed Paper, Intituled,* For encouraging the Coining Silver Money in *England*, and after for keeping it here. 1695. In *Money*, vol. II.

Some Considerations (SC)	*Some Considerations of the Consequences of the* Lowering of Interest, *and Raising the Value of Money.* 1692. In *Money*, vol. I.
Study	*Of Study.* In *Educ. Writings.*
Toleration	*A Letter on Toleration.* Translated by J.W. Gough. With Latin text. Oxford:Clarendon Press, 1968.
Trade	*Notes on Trade, 1674.* In *Money*, vol. II.
Two Treatises	*Two Treatises of Government: In the Former, The False Principles and Foundation of Sir Robert Filmer, and his Followers are Detected and Overthrown. The Latter is an Essay Concerning the True Original, Extent, and End of Civil-Government.* Student Edition. Ed. with Introduction by P. Laslett. Cambridge: The University Press, 1988.
Venditio	*Venditio, 1695.* In *Money*, vol. II.
Works 1	*The Works of John Locke, in Ten Volumes.* London, 1823. Reprinted by Scientia Verlag Aalen, 1963.
Works 2	*The Works of John Locke.* Freeport, NY: Books for Libraries, 1877.

And the serpent said unto the woman, Ye shall not surely die: For God doth know that in the day ye eat thereof, then your eyes shall be opened, and ye shall be as gods, knowing good and evil. And when the woman saw that the tree was *good for food, and that it* was *pleasant to the eyes, and a tree to be desired to make* one *wise, she took of the fruit thereof, and did eat, and gave also unto her husband with her; and he did eat. And the eyes of them both were opened, and they knew that they* were *naked; and they sewed fig leaves together, and made themselves aprons.*

Genesis

This shews, how much numbers of men are to be preferd to largenesse of dominions, and that the increase of lands and the right imploying of them is the great art of government. And that Prince who shall be so wise and godlike as by established laws of liberty to secure protection and incouragement to the honest industry of Mankind against the oppression of power and narrownesse of Party will quickly be too hard for his neighbours.

Locke, *Second Treatise*

INTRODUCTION

> *Passion, Interest, Inadvertency, Mistake of his Meaning, and a thousand odd Reasons, or Caprichio's, Men's Minds are acted by, (impossible to be discovered,) may make one Man quote another Man's Words or Meaning wrong.*
>
> Essay IV, xvi, 11

Money's importance typifies the modern era. What the city was to the classical world or the personal relations of feudal homage to the middle ages, money is to modernity. Money's appearance also makes the pivotal moment in John Locke's political theory, the 'source' of modern liberal political thought. Little attention, however, is given to Locke's writings which deal most directly with how money functions. This study will focus on the most comprehensive of these: *Some Considerations of the Consequences of the Lowering of Interest, and Raising the Value of Money. In a Letter to a Member of Parliament.* 1692.

Modern critical scholarship tends to approach texts with a divide and conquer tactic. It picks them apart, bares their weak points and destroys them piece by piece. John Locke thought a different method better. Fully informed judgment between alternative philosophical systems required that "the two whole systems must be set by one another, and considered entirely, and then see which is most consistent in all its parts, which least clogged with incoherencies or absurdities, and which freest from begged principles and unintelligible notions" (King, 1830, 2:153). In studying Locke it would be preferable to follow the method he recommends, yet Locke did not apparently write a system. He wrote works deployed into specific debates: government, epistemology,

childhood education, coinage, etc. In order to judge Locke's system, if he has one, one must find what it is that holds its parts together.

Spinoza said that money supplies "a token [*compendium*] for all things" (1983, 200). One could say that the present study is an exploration of how money acts as a compendium of Locke's system. The consideration of the workings of money is treated as central to the full comprehension of both the bonds of society and the medium of knowledge. It may at first seem odd—perhaps because of an unexamined prejudice encouraged in our times—to see questions like the character of interest rates discussed together with more apparently philosophical questions like the essential nature of desire or technology, but interest rates will not be understood as long as we honor the fashion of superficially dividing such questions. If 'the Great Locke', as Lord Keynes called him, had something to say about this, we ought to be prejudiced in the direction of at least hearing him out. It is my contention that the role of money in Locke's 'system' has been seriously misunderstood because his primary writings on money have not been read as they were written: to further Locke's political goals. I have endeavored to interpret them here as if understanding their polemical form were necessary to understanding the arguments made therein.

In order to be able to take *Some Considerations* seriously, one must account for its having been unreasonably neglected for over two hundred years. I suspect that this neglect is partly due to what may be called the sociology of the field of modern political science. The characteristic division of labor in the discipline at present guides those most inclined to study Locke away from the study of economics. The economic study of politics is carried out with an enthusiasm for technical system that takes as given the institutions and habitudes created in the past, while study of the history of political thought is permeated by a spirit of romantic disregard for the marketplace which does not encourage consideration of our basic practical dependence on money. However this may

be, this 'sociology' is not for us the most important reason that Locke's treatment of money and trade has not been adequately analyzed. The most apparent reason that *Some Considerations* has been neglected is that it has been poorly read—either because the circumstances of its publication made it appear as merely an occasional piece, or due to more pervasive interpretive prejudices in its readers. This neglect is a grave error.

The balance of this Introduction will be devoted to an overview of *Some Considerations:* its place in Locke's work, its place in English political history, and the history of its interpretation. In Chapter One I hope to persuade the reader of the possibility that Locke wrote *Some Considerations* very carefully, and that a method of reading very different from what has usually been applied is the best way to ascertain the character of that diligent care, and to learn from Locke. The remaining chapters take up the interpretation directly.

ECONOMIC WRITINGS

Locke's writings on money have been treated as almost negligible in comparison to his other works. His name is renowned as the 'father of the enlightenment' for his *Essay Concerning Human Understanding* and his hugely influential works in political theory: *A Letter on Toleration* and *Two Treatises of Government. Some Thoughts Concerning Education* and *The Reasonableness of Christianity* also had large readerships for nearly a century. All these works have drawn endless critical attention.

Some Considerations, on the other hand, first appears to be only a polemical tract for the day. While it does present principled arguments against two separate initiatives in Parliament—one to lower the legal maximum interest rate from six to four percent, the other to 'raise' the value of money, i.e. to devalue the English coin by recoining it with less pure silver per nominal unit—the common scholarly opinion seems to be that very

little of lasting importance can be learned from this work because it was hastily dashed off in obedience to a compelling civic conscience, rather than arising out of the vital interest of the philosopher. The implication is that it is riddled with gross internal inconsistencies because Locke simply did not care enough about it to take time from his many other occupations to make his thought consistent. From such a perspective, these works merit scholarly curiosity only as part of an attempt to clarify the historical filiation of modern economic ideas.

For a similar reason it is argued that Locke's work here cannot call seriously into question key parts of his political theory from the *Two Treatises*, or *A Letter on Toleration.* He is there working on a different set of problems; for practical purposes, in a different historical context. He was under no compulsion of logic to keep the specific arguments of *Some Considerations* in mind when dealing with more general questions of political theory. Anyway, his thought should not be forced to the touchstone of consistency, because all such thought is simply a reflection of the spirit of the time: a spirit which is eminently changeable. Modern scholars need not be much disturbed by the apparent conflicts within Locke's corpus or his individual works because, after all, the task of developing liberal democracy was large and he did a good job building the foundation, upon which was constructed Smith's or Mill's or some other more perfect system. It hardly needs to be noted that Locke did not claim to have understood his own work in this way. Rather, he discusses 'economic' notions such as value, money, market, interest, and credit, as if they were general ideas, of which he understood something.

In his seminal "Introduction" to the *Two Treatises,* Peter Laslett emphasizes that it is only an "attitude" that holds Locke's various works together; it is not the internal relation of the subject matter (Laslett 1988, 88). For Laslett, Locke's political thought is more like "empirical medicine" than philosophy. "To call it 'political philosophy,' to think of him as a 'political philosopher', is inappropriate. He was, rather, the writer of a

work of intuition, insight and imagination, if not of profound originality, who was also a theorist of knowledge" (86). One is sure to find inconsistencies in Locke: "But it must be remembered that all thinkers are inconsistent" (90). It is not due to the superior coherence of his thought that Locke owed his great success, but rather to his insistent tempering of rationalism with empirical observation of the workings of the society around him. All political theory "must aspire to the status of 'philosophy'," but Locke was not able—no one is able—to succeed in forming his intuitions into a perfectly logical or reasonable account. Rather, his "inconsistency, doubt, hesitation" (90), because they put him closer to most men, account for his practical success. In short, his success was inadvertent.

Prevailing scholarly opinion about Locke's important role in the "Great Recoinage" of 1696 provides us with an example of his 'inadvertent' success. In England, in 1690, coins were minted by the hammer. This made them uneven and therefore susceptible to clipping off their edges, or otherwise removing small amounts of the precious metal, before trading them at their face value. Clipping had become epidemic. Meanwhile, the technology had been developed to produce coins by the mill which were virtually uniform and practically unclippable because clipping was too easily detected on their milled edges. Locke wrote vigorously at the end of *Some Considerations,* and through the whole of the more popular *Further Considerations* (1696), to undertake a recoinage at the prevailing legal mint standard of silver, which clipping had in practice transgressed. *Further Considerations* takes the form of an answer to a challenge put forth by William Lowndes, Secretary of the Treasury, who in his *Report containing an Essay for the Amendment of the Silver Coins*, also recommended recoinage of milled coins, but at a new standard, more closely corresponding to the actual average weight of silver in the clipped coins. Scholars almost uniformly condemn Locke's position. The crux of their criticisms lay in Locke's putative

misunderstanding of the value of money. Nicholas Barbon, in his 1696 reply to *Further Considerations*, was one of the first such critics. Barbon understood Locke's claim that money had an *intrinsic value* to be of key significance:

> All the Arguments in Mr. *Lock's* Book against the raising the Value of Money, are drawn from this single Supposition, *That there is an Intrinsick Value in Silver, which is the Price of Estimate that Common Consent hath placed on it, by which it comes to be the Measure of the Value of all other Things:* which, if that should not be true, then all his Consequences must be mistaken. (Barbon 1696,1)

Locke, it is held, mistakenly believed that the *intrinsic* value of money lay in the quantity of its pure silver content, rather than the number on its face, the unit of account. In the words of an influential critic from our own century: "The detachment of the money of account from its old weight and fineness was something which Locke was not prepared to comprehend" (Fay 1933, 149). Yet this writer is forward to admit that ". . . it was to the advantage of the country that the stupidity (or common sense) of Locke prevailed" (152). He was "technically wrong and practically right" (152)—again, Locke's success was not reasoned, but inadvertent.

This same imputed misunderstanding of the 'intrinsic value' which happened to steer toward practical success, is what Lord Keynes saw as the major shortcoming in Locke's economic thought.[1] Presumably, because he did not understand the psychological character of money, Locke misunderstood the relation between its *use* value and its *exchange* value, between interest rates and the general price level. What is remarkable is that Locke himself contends that his *primary* goal in *Some Considerations* is to show how lowering the interest cap will affect trade by affecting prices; that is, how interest rates and the price level are related through the character of money. In other

---

[1]Keynes is relatively generous and clear on Locke's thought on money and trade. I choose him to represent critics here because he sees so many *more* virtues in Locke than most. One can at least isolate one consistent criticism (1935, 342–4). See also Vaughn (1980, 43) and Kelly (1991, 71).

words, Locke's great practical success, and his stark theoretical failure, both hinge on an account of the character of money, of which Locke himself claimed to have given a self-evident account, and which his critics see as deeply flawed or entirely lacking.

One need not deny the phenomenon of inadvertent success in order to say that it is imprudent to begin by attributing so great and manifold a success as Locke's to such wild chance, especially in the face of Locke's protestations, in advance, to the contrary. Locke claims elsewhere that a careful writer may have good reason to obscure the logic of his thought. In the *Reasonableness of Christianity*, for example, he says that the teaching of ethics may be more effective without logical demonstrations, because:

> The greatest part of mankind want leisure or capacity for demonstration, nor can carry a train of proofs (which in that way they must always depend upon for conviction), and cannot be required to assent to, until they see the demonstration. . . . And you may as soon hope to have all the day-labourers and tradesmen, the spinsters and dairymaids, perfect mathematicians, as to have them perfect in ethics this way. Hearing plain commands is the sure and only course to bring them to obedience and practice. The greatest part cannot *know*, and therefore they must *believe*. (*Reasonableness* §243, 178–9)[2]

The assumption that Locke's most profound thought is on the surface of his writing allows the too hasty attribution of inconsistency to him. It is at least possible that he presented brief enthymemic arguments, more persuasive for the common reader, along with recommendations that represent the final results of his actual logical process. In *Of the Conduct of the Understanding*, in a section on "Partiality," Locke in effect advises the reader of judicious writers to read their work for its premises and evidence and to draw one's own conclusions:

> Upon this account we are mightily beholden to judicious writers of all ages for those discoveries and discourses they have left behind them for our instruction if we know how to make a right use of them, which is not to

---

[2] Since Locke elsewhere claims that such a demonstrative proof of ethics was indeed possible, yet never bothered to present it, perhaps he did not believe only "the day-laborers and tradesmen, the spinsters and dairymaids" to be better served by abbreviated or simplified discourses. See *Essay* (IV, xi, 16, 516–7; IV, iii, 18, 549; IV, xii, 8, 643–4).

> run them over in a hasty perusal and perhaps lodge their opinions or some remarkable passages in our memories, but to enter into their reasonings, examine their proofs, and then judge of the truth or falsehood, probability or improbability of what they advance, not by any opinion we have entertained of the author, but by the evidence he produces and the conviction he affords us drawn from things themselves. Knowing is seeing, and if it be so, it is madness to persuade ourselves that we do so by another man's eyes, let him use ever so many words to tell us that what he asserts is very visible. (*Conduct*, 76).

Why not rather start by assuming that perhaps Locke's economic *thought*, which provides the unseen basis for his *writing*, is perfectly consistent, and that it makes a perfect piece of a perfectly consistent world view, which also lay behind Locke's other works? If this turns out to be overly generous, that fault is revisable in a way which premature dismissal as intrinsically inconsistent is not.

In the present interpretation we will try to let Locke help us to see with our own eyes. We begin with the hypothesis that questions of money and trade were of lively concern to Locke, and that *Some Considerations* was written with utmost care. If Locke's political economy can be understood to have come from a consistent, coherent, stable understanding of the relations between reason and civic laws, fashion and the 'laws of value,' then we may learn from it without demoting it to the status of a product of a stage of history which is comprehensible only as a half-way house on the way to a later, more perfect position. The interpretation will have succeeded if it provides a plausible reading of the text as one motivated by a philosophical position and liberal political project which cannot be directly falsified by historical evidence. Our times make us too historically sophisticated to go beyond this to the expectation of pinpointing 'the real John Locke.' This method has the merit of forcing us to suspend our judgment on Locke's consistency until the last possible moment, preventing us from too soon making a choice which vitiates our ability to read him on his own terms. Our resolve in choosing this procedure may be bolstered by the recognition that the option to finally reject Locke always remains open to us.

Understanding a work on its own terms in this way invites a consideration of the historical context in which it arose—not because that context determined the thought, but because the general ideas must be inflected into a rhetorical form appropriate to that context. While not precluding other less restricted motivations, the circumstances of the publication of *Some Considerations* demonstrate the pressing nature of the political problem at hand.

Experience with Economic Policy. Locke arrived home in England after five and a half years of political exile in Holland, on a ship with Princess Mary (the next day Queen Mary), on the twelfth of February, 1689. By December, *An Essay Concerning Human Understanding, Two Treatises of Government* and *A Letter Concerning Toleration* (William Popple's English translation of the *Epistola de Tolerantia*), were in print.[3] Locke set to work almost immediately—considerably before he decided to publish *Some Thoughts Concerning Education* or began assembling *The Reasonableness of Christianity*—revising an essay written during the early years of his association with Lord Shaftesbury, on the harmful consequences of lowering the legal interest rate.[4] *Some Considerations* was selling in London by December 1691.[5] After Locke's death, his long-time friend Lady Masham[6] related to Jean LeClerc her view of the extent of Locke's early concern with the aforementioned state of the English coin:

> I am . . . sure that what loss our nation suffered by the slowness with

---

[3]See Cranston 1985, 350.

[4]Kelly 1991, 3–12.

[5]Dated 1692. See Cranston on postdating (1985, 327).

[6]Née Damaris Cudworth, daughter of Cambridge Platonist Ralph Cudworth. Locke lived with the Mashams for most of his life after his exile in Holland.

> which men were made sensible of what must be the remedy to our disease in the debasing and clipping of our coin might, had he been hearkened to, have had a much earlier cure, for from the first year of his return into England (when nobody else appeared sensible of this matter) he was very much troubled concerning it; and in talking on the subject of our public affairs, has often said to me that we had one evil which nobody complained of that was more surely ominous than many others wherewith we were easily frightened, and that if that unminded leak in our vessel were not timely looked after, we should infallibly sink, though all the rest were ever so safe. And when at my lodgings in London, the company there finding him often afflicted about a matter which nobody else took any notice of, railed him upon this uneasiness as being a visionary trouble he has more than once replied [that] we might laugh at it, but it would not be long before we should want money to send our servants to market with for bread and meat, which was so true five or six years after that there was not a family in England which did not find this a difficulty.[7]

Such testimony as Lady Masham's gives the strong impression that these questions held great importance not only for England, but for Locke. This is not the place to recapitulate Locke's biography, or even to give a comprehensive account of his extensive participation in the burgeoning interest in the scientific understanding and regulation of the economy. However, a sketch of his most important economic activities, derived from Patrick Kelly's excellent account of these, will serve to confirm Locke's active interest in these questions.[8]

Locke met the future First Earl of Shaftesbury, Lord Ashley, past Chancellor of the Exchequer and future Lord Chancellor, at Oxford in 1667, before he turned thirty-five years old.[9] By the end of the next year, while living in Ashley's household, Locke

---

[7]Cranston 1985, 351–2. From MSS.J.57a. in the Remonstrants' Library; Lady Masham to Le Clerc, 12 Jan., 1704–5. Also in Fox Bourne 1876, 2:195–8.

[8]Cf. Kelly 1991. Kelly's Introduction to *Locke on Money* is the best available account of Locke's economic interest and activities.

[9] Kelly tells us that for the fifteen years prior to meeting Shaftesbury, when Locke had been immersed in classical languages and learning as a student and then teacher at Oxford, there is nothing in his papers to indicate "that economic questions would ever concern him"(4). Nevertheless, Locke had read with care the fifth book of Aristotle's *Nichomachean Ethics*, and had ample opportunity to consider scholastic treatments of

had already written and then expanded a short paper on the consequences of lowering the legal cap on interest. He expanded that paper again in 1674. Possibly this effort was initially prompted by the publication in early 1668 of Josiah Child's *Brief Observations concerning Trade, and Interest of Money*, which sparked public debate by calling for a reduction in the interest rate in order to reduce production costs, or by the actual introduction in Parliament that same year of a bill for reducing interest from six to four percent, but there is no direct evidence for either of these stimuli in Locke's paper itself or anywhere else. As Kelly says, "what is striking about Locke's paper is its lack of polemical intent and the effort to go beyond appearances and analyse what was really at issue" (9). Many years later, in the epistle dedicatory of *Some Considerations*, Locke affirmed that his thoughts on these matters from the earlier writings "have to me still the Appearance of Truth" (210).[10]

Locke's general ideas were supplemented by a great deal more practical experience than common prejudice might expect from a philosopher. Kelly suggests that the 1674 additions to his early papers may have evolved from Locke's work as Secretary to the Council for Trade and Foreign Plantations in 1673–4, an appointment also due to his friendship with Shaftesbury. There he had the opportunity to consider a broad range of questions touching on economic policy, and to consider the thought of contemporary writers on these subjects, Benjamin Worsley being the most notable. Throughout his foreign travels in France during the latter half of the 1670s and his later exile in Holland,

---

'just price.' See Vaughn 1980, 18.

[10]The fact that Locke claims to have held similar ideas on money for twenty years, all through the writing of the *Essay, Epistola de Tolerantia* and *Two Treatises*, raises the question of the relation of these thoughts to the body of Locke's work, and most directly their possible relevance to understanding the crucial fifth chapter of the *Second Treatise*, "Of Property." As Patrick Kelly notes: "[I]t is puzzling that commentators should ignore the implications of the fact that Locke was already the author of a substantial monetary tract when he began to write *Two Treatises*" (1988, 273). Cf. Vaughn, 1992.

Locke frequently made notes regarding details of the economic affairs of those countries, including their coinage and tax systems, alongside his religious and philosophical meditations. Back in London from his travels in France, in 1679 Locke attempted to estimate national per capita income in the manner of William Petty's and John Graunt's "political arithmetic."[11] At the same time he was presumably beginning to compose the *Two Treatises*, including the crucial chapter on property, containing an account of the genesis of money.[12] His Dutch experience has been mentioned, but it should be noted how great was the influence, and threat, of the Dutch mercantile efflorescence for the English.[13] Arising from his exile there was an active correspondence, sharing economic particulars among many other interests, with Benjamin Furley, an exiled English Quaker and businessman, living in Rotterdam.

Locke's involvement with political economy became even more direct after he had returned to England. During the period including the currency crisis, from 1691 to 1696, while he was writing *Some Considerations*, *Short Observations*, and *Further Considerations,* and several papers requested of him by the government, he was also exerting his influence through his personal contact and correspondence with influential men in government. Most important are the three who, with Locke, came to refer to themselves as the "College" : John Freke and Edward Clarke, both members of the House of Commons; and the patron of the group, Sir John Somers, Solicitor General, then Lord Keeper, then Lord Chancellor. Locke also very plausibly had direct influence in the

---

[11]See William Petty, *Political Arithmetick*, 1676; and John Graunt, *Natural and Political Observations upon the Bills of Mortality,* Fifth Edition, 1676. Both in Petty 1899.

[12]See Laslett, 1988:45–66, 123–6.

[13]On the importance of the Dutch as a source of evidence and envy in the English economic debates of the seventeenth century, see Appleby 1979, ch.4. See also Caton 1988, chs.5–6; Letwin 1964, ch.1.

Commons through Sir Walter Yonge, Sir Francis Masham, and Lord Ashley (grandson of the first, and Locke's former pupil), and in the Lords through Pembroke and Monmouth. When the recoinage was complete, Locke's involvement in economic policy was still far from over. From 1696 to 1700 he was the most influential member of the new Board of Trade, and instrumental in setting a course for the economic policy of whig governments to come.[14]

Scholarship: History of Economics. Locke's personal history gives us a strong impression of the importance he attached to questions of political economy. This only heightens our wonder at the prevalent belief among interpreters of his work on money that Locke did not care to submit his thoughts on them to the touchstone of logical consistency. Locke's "easy going inconsistency" putatively allowed him to forego this technicality.[15] Kelly discounts the possibility of a consistent teaching in these works, and *Some Considerations* in particular, on the grounds that Locke's methodology and polemical intention rule out such a coherent understanding. His apparent belief in the progress of ideas seems to require him to ignore Locke's own claims to consistency:

> There is nothing in what Locke wrote to suggest that he had evolved what Schumpeter terms "a theory of the economic process in its entirety". Economic matters for him essentially remained part of the *prudentia* of civil society, the status to which he assigned them in the schematic classification of knowledge that prefaces his 1661 Commonplace Book. Both his method of analysis and his polemical intention in refuting the proposals of others left him content to consider the various topics with which he dealt as, at best, contingently linked and not as part of a necessarily linked and coherent whole. None the less, once economics had established itself as a coherent field of knowledge, Locke's writings lent themselves to interpretation in terms of the new paradigm, largely because of the way in which he used his theory of price and value as a common conceptual tool for analysing the various issues which he considered. But

---

[14]See Laslett 1969; and Caton 1988, 50–1, 64.

[15]The quoted expression is from the article "Locke on Currency" in the *Dictionary of Political Economy*, quoted in Fay 1933, 148.

> to go further than this is to claim for Locke's ideas a consistency and coherence in terms of later theory which they were far from possessing. (Kelly 1991, 96)

Kelly's opinion is generally representative of Locke's interpreters. While the particular inconsistency each attends to seems to depend on what they believe to be the present 'perfection' of economic science, they generally share the view that Locke did not understand the source of the value of money. This error led him to unreasonably hold to the silver standard; or it led him to confuse money and capital, and so to believe that interest was interest on money, not capital; or it led him to misunderstand the relation of money and debt.[22]

Many historians of economics praise Locke for his method. Undeniable deficiencies regarding particular conceptions are seen to be more than outweighed by his pathbreaking application of the modern scientific method, examining economic phenomena in terms of the 'natural laws' which necessitate them.[23] The tenor of the criticisms from this angle is that Locke's approach was reasonable, he simply did not go far enough; he didn't follow his logic through to its necessary conclusion. Lord Keynes's aforementioned criticism falls into this category. Others examples are that he stopped one step short of comprehending the equilibrating process of the price-species flow mechanism.[24] Or, he doesn't understand how free markets lead to the most efficient distribution of resources.[25]

---

[22]Cf. Angell 1965, 20; Appleby 1976, 54–5; Heckscher 1955, 203; Hegeland 1969, 28; Vickers 1959, 72; Viner 1965, 31–2.

[23]Cf. Bonar 1922, 96; Bowley 1963, 132; Chalk 1951, 344–7; Letwin 1964, 159–60, 173, 184–95; Vaughn 1980, 108–31. Harpham (1984) rightly criticizes the too easy attribution to Locke of the common economic sense of 'natural law' as laws of the market.

[24]Cf. Kelly 1991, 79; Leigh 1974, 208–9, 214–17; Viner 1965;76–7.

[25]Cf. Vaughn 1980, 45.

Writers work hard to fit Locke into that version of the progressive evolution of economics which best substantiates the most fundamental article of faith in their science, or sect: adherents of the so-called 'classical' school look for what came after the unsystematic mercantilists; how he helped lay the foundation for economics, during its pre-history; Keynesians look for what anticipated Keynes, or led the science astray. Cantillon or Smith is generally seen as the actual 'cradle' of political economy, and Ricardo was the logical fulfillment of the epistemological foundation laid by Locke. Locke may have first captured the 'spirit of capitalism,' and greatly furthered its method, but he had not yet worked out its logic. That was left to later, more scientifically advanced, thinkers. Historians want to see more in Locke than in Petty, and less than in North or Cantillon. They are forbidden, by their historian's faith in the progress of ideas, from allowing that Locke may have already developed a systematic understanding of political economy that was both complete, *and* potentially disequilibrious; that Locke could have already, in advance as it were, seen the deficiencies of economics as a free-standing science.

Interpretations by economic historians have the virtue of approaching *Some Considerations* directly. They look for and don't find a satisfactory 'theory' of economics.[26] They attribute this, in part, to the fact that the work is polemical—that is, not motivated by purely theoretical concerns.[27] What is surprising is that while they acknowledge the importance of its political setting in determining the polemical form of the work, no one asks *how* its political character affects the statement of its arguments. Perhaps this is a consequence of training in an economic theory which has struggled to

---

[26] Leigh (1974), Vaughn (1980) and Vickers (1959) are the most generous interpretations of Locke's economic concepts.

[27] See Vaughn 1980, 16, cf. x, xii, 15; see also Kelly 1991, 130–1; Schumpeter 1954, 291; Vickers 1959, 43.

divorce itself from politics, as is visible in the very truncation of the field's earlier name. Whatever the reason, this tunnel vision prevents consideration of Locke's thought on what they acknowledge to be its own terms.

The difficulty presented by the political context of *Some Considerations* has been at least cursorily acknowledged since the beginning of critical scholarship upon it. Cantillon, writing probably between 1730 and 1734 is implicitly critical of its terseness when he remarks that Locke "has clearly seen that the abundance of money makes every thing dear, but he has not considered how it does so," and that he, Cantillon, had "tried to elucidate his idea in the preceding Chapters" (Cantillon 1964,161) About sixty years after its publication, the Italian economist Ferdinando Galiani set the tone for later scholarship on *Some Considerations*, when he lamented of Locke's procedure:

> How much better it would have been had he observed more method and order in his work, and written an orderly treatise rather than an ill-formed letter. Instead, in his haste to take up these matters, he ignored a great deal that was already known on the subject, writing so obscurely that he could not possibly have provided the majority of his readers with any utility or pleasure. (Galiani 1977, xlviii)

Unfortunately, careful consideration of the effect of political context upon style has been short-circuited by the assumption that the only indication of this interplay present in Locke's text is its disorganization, due simply to its hasty composition under the press of necessity. Twentieth century authors have mostly just conceded to Galiani the premise that Locke's thought is ill-formed and obscure, because it was dashed off heedlessly. To Hugo Hegeland, for example, "Locke is everything but consistent" (1969, 29).[28] Still, this suspicion is almost always accompanied by the acknowledgment of at least a few brilliant insights in Locke's thought. Douglas Vickers is at the more generous end of the spectrum of opinion when he says that "[w]hile the essays are uneven, discursive, and even at times contradictory, they are nevertheless of pivotal significance in the history of the theory of

---

[28]See also 26, 30; Angell 1965,18, Leigh 1974, 201; Monroe 1965, 112.

money" (1959, 45).[29] If there is a 'common opinion' of these works, among economic historians, it might be that Locke was basically a mercantilist, who was confused in many particulars, and perhaps had not done his homework, i.e., he had not read Petty and other contemporaries adequately, yet, "his philosophic training enabled him at times to attain a clarity of argument unparalleled among other mercantilist writers" (Heckscher 1955, 203). This allowed him to at least lay bare his confusion on critical questions, which advanced the debate significantly in the direction of a science of economics. While his economics was flawed, it would not be fair to expect more from a man of his time. Joseph Schumpeter speaks for many when he says of Locke that:

> his claim to a place in the history of economic analysis rests exclusively on his work on money . . . which, though date and form of its publication were prompted by current controversies, yet embodies the thought of decades and amounts to much more than a tract for the day, to much more also than the title conveys, by virtue of the energy with which the author digs down to fundamental principles. Even so, however, we cannot speak of a great, still less a faultless, contribution to monetary analysis. Slips are frequent and, whatever the degree of 'subjective originality,' there is little that was not said as well or better by other writers at about the same time. The influence exerted was considerable also on the Continent. (Schumpeter 1954, 291n.6)

This 'common opinion', however, conceals something remarkable. Reading this secondary literature, one cannot help noticing how often what one critic sees as exemplary in Locke, another, judging by a different doctrine, condemns as flawed or even absent. More careful consideration of the interplay of the political context with the ideas represented would provide the premise whose plausibility would warrant the effort of such an attempt.

Scholarship: Political Thought. Besides historians of economics, there are many students of political thought who are far more disposed to consider the political context and

---

[29]See also Angell 1965, 18; Chalk 1951, 347; Leigh 1974, 201; Monroe 1965, 112; Spiegel 1983, 155.

cautiousness of his writings, and who also find occasion to mention Locke's thought on things economic. Unlike the historians of economics, however, few political theorists look carefully at *Some Considerations*. While many or most of these writers are far more critical about the scientific status of economics, they nevertheless generally share with the others the implicit view that the logic of Locke, flawed as its foundation may be, leads in its fulfillment through Smith to Ricardo, Marx, Keynes or some other more modern economist. It seems that it is precisely their disdain for the attempt to depoliticize economics which makes them so averse to the atmosphere of the marketplace that they do not care to consider it closely. The result is that they accept uncritically the dogma that Locke initiated economic thought in terms of 'natural laws' and the 'labor theory of value,' but did not follow the logic to its necessary conclusion. Locke is thus implicated as an 'accessory to the crimes' of his more logical followers. He is convicted before the jury sufficiently examines the critical evidence offered by *Some Considerations*.

These jurors do not, of course, follow exactly the same procedures. A brief comparison of the most widely used hermeneutical methods will help to more precisely locate the present work. A common and useful distinction made between interpretive procedures is that one style is primarily *historical*, another *philosophical*. Neal Wood contrasts them in the following way: "The philosophical mode concentrates on the internal relationships of the words, propositions, and ideas of a classic text of political theory" (1984, 1). "In comparison, the historical approach rests on the assumption that the meaning of a classic text can be established only if it is firmly situated in the appropriate social, political, and economic context and the relationship between the theorists' realm of ideas and the world of action in which they lived and wrote is carefully defined" (2). No plausible interpretation of Locke's thought on money may entirely ignore either historical context or logical consistency, yet all inevitably give more weight to one or the other. Which priority is chosen will depend in part on the interpreter's

opinion regarding which is the more knowable: the historical context or the ideas in Locke's mind. This raises the question of the extent to which a person's thought is constrained by his times. Whatever one's opinion on that question, it is universally agreed that all ought to make as clear as possible the assumptions underlying their decision to give primary consideration to consistency with context, or to internal consistency.

Those writers who are inclined, in contrast to Laslett, to see Locke as a political philosopher, tend to follow what Wood terms the 'philosophical' method. Internal consistency is treated as a timeless standard of logic, and so also of reasonable interpretation. All of the arguments here are presumed to have or lack force only on that basis.[30] This is the method followed in the present interpretation. The risk of this method is that the consistency which one finds will be one's own, instead of that of the author under study. While we may have faith to the contrary, honest recognition of the limits of our ability to be certain that we know another's mind forces us to content ourselves with this limit.[31] The great vitalizing benefit of this approach is that in forcing the interpreter to work ever harder to find Locke's consistency, it can hardly avoid leaving him with a better understanding of himself.

The emphasis on internal consistency gives no license at all to ignore historical context. Apparent inconsistencies can sometimes only be made sense of by sonsidering the context into which various statements are deployed. The common usages and concerns of a writer's times are certainly pertinent clues. However, the writer who approaches Locke's books on the basis of the *priority* of contextual to internal

---

[30]Indeed, the procedure followed here presumes that real human community based on linguistic commerce is only thinkable on such grounds, although the grounds are not necessarily attended to by the communicators. But that is an argument for another place.

[31]Cf. *Questions*, 199, f.79, end.

consistency (the 'historicist' hypothesis), is making a great and dubious, usually tacit, claim. He is in effect saying that when he encounters an apparently insoluble internal inconsistency in Locke's *text*, he will presume it to be an inconsistency in Locke's *thought*, transparent to Locke himself, due to the limits placed upon his understanding by the common thought of his time. Complacency in making this attribution is only possible on the basis of the assumption that Locke not only *does not*, but *cannot* have a finally consistent teaching. Locke cannot, because history itself had not yet unfolded to reveal the contextual dependency of *all* thought. In other words, on the basis of faith in a vast epistemological and ontological claim, the writer believes, before he even looks at the text, that he knows something absolutely critical about understanding Locke, which Locke himself could not possibly have known. Such an author cannot approach Locke's texts on their own terms.[32]

In order to see the range of existing interpretations of Locke's political theory we may glance at a few examples. Unfortunately, most are somewhat removed from *Some Considerations*. We have already seen that Laslett abjures, to the point of ridiculing, the study of Locke primarily on the basis of internal consistency. For him, the *Two Treatises* itself is not a consistent work of political philosophy, like Hobbes's *Leviathan*, but rather an intuitive, insightful and imaginative policy recommendation. If Locke were arguing from a logically consistent world view, his various works would be more directly related to one another than they are. Laslett sees each of Locke's works as primarily determined by the specific problem-set presented by the situation. The *Two Treatises,* for example, "cannot be said to represent his account of the implications for conduct, for politics, of the doctrines of the *Essay*. It was written for an entirely different purpose and in an entirely different state of mind" (84).

---

[32]Strauss 1953, ch.1.

John Dunn gently corrects Laslett on his neglect of the principle of consistency. It is not that he believes Locke to be finally consistent, but he accepts that consistency was indeed his intention, at least within each work. He prefers to think of the *Two Treatises* as "a work about the nature and limits of political rights, rather than a work of advice on how men should behave" (1969, 99n). He does not like Laslett's use of the term "Lockeian attitude" to describe the less than obvious coherence that exists between the works, because Locke at least *intended* that a "Lockeian philosophy" hold them together. Dunn finds that Locke, while his consistency ultimately fails, is consistent in emphasizing man's relationship to God, which gives to every man, regardless of the various difficulties of their social situations, "an Archimedian point outside the realm of human contingency from which the rational individual could judge the world and act upon it" (261). While this clearly goes further than Laslett, one cannot say that Dunn tries to see Locke's thought as ultimately consistent, or even that he looks primarily to his *thought* to find Locke's consistency:

> It is not intended here to claim that the works are fully consistent—both of them [*Essay* and *Two Treatises*] seem in so many ways patently inconsistent and absurd—but only to insist that there are reasons why Locke should have supposed them coherent and more pointedly, reasons internal to the positions argued in the *Essay* which determined the particular shape of the response [in the *Two Treatises*] to the very specific polemical challenge of Filmer; (92)

What holds the works together for Dunn is Locke's opinion of "the goodness of God [which] may be apprehended, faintly no doubt but unmistakably, in human relationships and moral notions" (91).

It becomes clear how far Dunn falls short of the method suggested here when we see that, for him, Locke's *arguments* for the existence of God in the *Essay*, while "grossly incoherent," and a "grotesque intellectual tactic" at least provide a "central axiom of Lockeian politics" (95). Dunn seems ultimately to place Locke's consistency in a Christianity which he understands in such a way as to make it doctrinaire and thoughtless,

i.e., itself inconsistent. He congratulates Hobbes, apparently for being a consistent, realistic atheist, with a "striking resemblance to ourselves" (259), but recognizes that Locke, due to "his own personal need for reassurance," was better able than Hobbes to "preserve a coherence for the lives of other men than himself" (260). "[D]espite his gross personal meanness and his expansive moral insensitivity" (260), and "[h]owever corrupt Locke's motives" (260), which are "vulgar in the extreme" (92). Because of his neurotic sensitivity, Locke believed in God. This helped him to keep "a kind of faith with the majority of his fellow men with which the more benign Hobbes had scarcely troubled himself . . ." (260). To move from the inconsistency of extreme meanness with decent faith in God and his fellow man, back to an explanation based on a psychological defect, is hardly what we have in mind here when we advocate looking for the consistency in a work or body of work.[33]

C.B. Macpherson also looks for 'intended consistency' by examining unstated premises, but he too assumes that the premises are unconscious or false. "[W]hen we find inconsistent positions being taken in a single sentence . . . we are entitled to ask whether any assumptions the writer may then have in mind can account for such statements, and we should be unwise not to look about for evidence of there being such assumptions" (1962, 8). But he does not require that this procedure be taken to the point

---

[33]In another work of the same period Dunn sums up Locke's limited consistency as follows: "Every piece which he wrote, even the commentaries on St. Paul's Epistles, was intended to have a very specific purchase upon human behaviour. The effort, in William Graham Sumner's phrase, 'to make the world over', was one altogether too comprehensive and ambitious for a clear-sighted minor intellectual in restoration England to have any expectation of success in it. There was no question for Locke of an attempt to bring about the Civitas Dei in his own time. The project was rather to preserve a tolerable security and freedom for good men to complete their pilgrimages within it without excessive disturbance. The scope of his ambition in the published works indicates very clearly the extent of his despair, the most for which it was safe to aim" (1968, 75).

that the interpreter actually compare his own assumptions to those which Locke must have believed if his work is consistent. "But more often the result has been to show that the theory is in some respects strictly inconsistent, even (or especially) when its implicit assumptions have been given full weight" (8). Regarding Locke, the most important specific blindness that Macpherson finds is of the 'true' character of class differences.[34] Where the method suggested here would require that one look for all of Locke's statements on class differences—those implicit in the twentieth chapter of the fourth book of the *Essay*, for example—and compare the consistent logic behind those statements to the Marxian logic of economic class, or whatever other the interpreter thought best, what Macpherson actually does is to look only at class distinctions which seem analogous to those he already has in mind. Therefore, as Macpherson himself puts it: "What the analysis achieves then is not a resolution of logical inconsistencies but an explanation of how the theorist could have been unconscious of them" (8).

James Tully almost manages to have it both ways. He finds in Barbeyrac a historical source that justifies him in considering the unhistorical, logical, connection between the *Essay* and the *Two Treatises* in the context of seventeenth century natural law debate. Considering natural law, *in history*, "provides a means of interpreting it in a historically more sensitive manner, and so of understanding the 'reasons internal to the positions argued in the *Essay* which determined the particular shape' of the *Two Treatises*" (1980, 8; internal quote from Dunn 1969, 92). When Tully's book is forceful, however, such force comes from its examination of internal coherence. This is not to say that I think he 'got Locke right'. In my opinion, his understanding of Locke's relationship with money could hardly be more wrong. I only mean that his *procedure*, where effective, is primarily philosophical, taking the arguments on their own terms first,

---

[34]See Macpherson 1962, 222–238, 261–2.

and looking to context for corroboration, precedent, and reasons for various statement.

Locke's own position regarding historical evidence was that it could not give us certain knowledge. Locke strictly contrasts the knowable with the probable.[35] Questions of probability, such as the second-hand testimony provided by history, must be decided by the faculty of *judgment*. When a proposition seems probable, it may indeed be assented to, and may even be difficult to doubt, but it is not *known*. When historical testimony is given by a direct witness, who is indifferent to the fact in question, and is corroborated by many such sources—as that Julius Caesar lived in Rome some 2000 years ago—there is no reason to doubt it, and in fact "'tis all the light we have in many cases; and we receive from it a great part of the useful Truths we have, with a convincing evidence" (*Essay* IV, xvi, 11, 664). Testimony, however, is neither always firsthand, nor indifferent.[36] This may be the reason that Locke does not base his "state of nature" teaching in the *Second Treatise* on a *historically* original common state.[37] One ought to remember that it is Rousseau's uncharitable bit of demagoguery that getting back to nature involves going back in time to a beastly, pre-human state, not Locke's. The "unerring mark" of the love of truth, for Locke, is "not entertaining any Proposition with greater assurance than the Proofs it is built upon will warrant" (*Essay* IV, xix, 1, 697). The reader who follows Locke's reason, can only claim that an account is true, whose connections are certain and clear in his own mind. That the reader's account is also Locke's is a matter for judgment. Locke might say that the writer of historicist faith is trying to know an as yet unknown text, via history, which is unknowable in principle. One bothers reading historicist accounts because serious engagement with Locke's

---

[35]See *Essay* IV, xiv.

[36]See the epigraph beginning this Introduction.

[37]Cf. e.g. *2T*, §15, 278; §§103–4, 335–6; §117, 346.

serious ideas rarely fails to yield some valuable insights into his thought, notwithstanding the interpreter's contrary faith.

The accounts of Leo Strauss and those who accept his procedure are of especial importance to us here because only these look first to the criterion of internal consistency, and therefore yield more reasonable, because more reasoned, results. The following rare concession by a rival interpreter succinctly sums up the virtue of Strauss's procedure: "Strauss's interpretation of Locke's 'law of nature', in short, excels all other interpretations in this: it can *explain* the presence of, and so 'fit in', each and every passage that a hostile critic might bring forward as inconvenient, and can do so without merely dismissing them as inconsistencies" (Kendall 1966, 228–9). Where Macpherson's method explained "how the theorist could have been unconscious" of apparent inconsistencies, Strauss explains how he could have been conscious of them.

Strauss's primary work on Locke is too complex to summarize succinctly; some of the details of it, and my criticisms, will arise in the course of the present text. Let me here say just enough to indicate the direction of divergence of the present interpretation from Strauss's. Strauss characterized Locke as a key link in the evolution of modern historicism: Locke put Hobbes's *natural right* teaching into the form which Rousseau transformed into the seed of historicism. He showed how reading Locke as an extremely wary Hobbesian could resolve the apparent contradictions and ambiguities with which his texts are rife. As an antidote to the drowsy Locke scholarship of the time, and the dangerous complacency about historicism, this was a healthy stimulant. However, this work on Locke is seriously distorted by its location in a study aimed to show what was taken from him by later thinkers. In some important instances, which Strauss left unexplored, the apparently opposing aspects of Locke's texts preclude unequivocal decisions between them. This is indicative of the character of the thought behind Locke's

work.[38] For example—and this is a key example for this study—perhaps because he is examining Locke with an eye to what was to be used or abused by Rousseau, Strauss too quickly accepts that Locke holds a doctrine of the "labor theory of value," analogous to that of the school of classical economics. He does not consider Locke's antithetical account of value in *Some Considerations*. He lets stand the stark contradiction between his statement that "Locke's doctrine of property is directly intelligible today if it is taken as the classic doctrine of 'the spirit of capitalism'" (1953, 246), and the inescapable fact that Locke's policy recommendations were often the opposite of *laissez-faire*.[39] The quotation of Weber's term in the foregoing sentence is from an allusion by Strauss back in his text to a long footnote criticizing Weber for not considering that the development of the "Protestant ethic" followed upon "the transformation of the philosophic tradition" which may have prepared it (1953, 60–1, n22). "By paying more careful attention than [Weber] did to the purely secular development, one would also be able to restore the connection, arbitrarily severed by him, between the emergence of the capitalist spirit and the emergence of the science of economics."[40] Strauss, I believe, is correct to agree with Weber's occasional and inconsistent claim that Locke (it is only Strauss, not Weber, who

---

[38]Cf. Dunn (1969, 188–92) and Mansfield (1979, 36–8). Mansfield (1979), Pangle (1988), Zuckert (1994), and Tarcov (1983 and 1984) have in recent years refined and balanced Strauss's arguments. It is curious that for Locke—'America's philosopher'—Strauss would uncharacteristically allow himself the luxury of neglecting the surface of a complex argument. Tarcov (1983, 191) encourages rediscovering the surface of Locke's texts.

[39]For indications that Locke's economic policy recommendations were protectionist, see Appleby (1978, 254) and Laslett (1969, 160). Laslett says in part: "We have to face the fact that Locke was a profound and earnest believer in government by the consent of the governed, and yet at the same time without doubt a 'mercantilist.' But we are learning to recognize that it is dangerous to assume that believers in the rights of the people were also critics of economic regulation."

[40]Cf. Weber 1958, ch.5.

implies specifically Locke here), understood his theory of property in relation to "a moral duty, and perhaps the highest moral duty." However, I do not agree that the account was "purely secular" in the way Strauss portrays it, nor do I agree that the duty was, in the decisive instance, "limitless accumulation and profitable investment of capital" (1953, 60–1n.22).[41]

Only the careful study of *Some Considerations* will allow us to sort out this knotty problem. Accepting Strauss's procedure, I hope in this study to revise and extend Strauss's treatment of Locke to show his thought to be the common source for both a certain reasonable moral attitude toward, and a certain reasonable understanding of, the marketplace; though I would not call the first the 'capitalist' spirit, nor assimilate the second to modern economics.

Finally, Constantine Caffentzis's *Clipped Coins, Abused Words, and Civil Government* is the exception that proves the rule of the neglect of Locke's writings on money as *political* theory. Caffentzis treats Locke's writings in the recoinage debate as integral to, even central to his overall project: "There is no doubt then that for Locke the recoinage debate was a decisive, a fundamental confrontation, with portentous consequences. The *Essay Concerning Human Understanding* is therefore not so much located in the 'empiricist'/'rationalist' dialectic; rather its place is more central to the 'metallist'/'chartalist' debate" (1989, 114–5). Caffentzis explains Locke's metallism as a prudent position based on an understanding of the coherence of *Some Considerations* and *Further Considerations* with an "ontology of money" to be found in the *Essay* and *Two Treatises*. Caffentzis is politically astute in two points especially. First, his analysis, which focuses on *Further Considerations* and the recoinage debate, makes much of Locke's awareness of the intransigence of some people—"the social other" (thieves,

---

[41]It may be of great importance that Strauss adds investment to accumulation here.

counterfeiters, etc.) and foreign merchants—and his insistence on taking their behavior into consideration in forming policy. In words not Caffentzis's own: Locke still could see the distinction between friend and enemy which makes the category of the political. Secondly, Caffentzis also accounts for the inflection of political conditions into Locke's writing itself. He employs a methodological principle which he aptly terms "charity" in order to take account of the "repressive semantic conditions" (168) of Locke's "murderous" (58) times. He assumes "that Locke was not a "thinker of difference" and that he did try to think consistently throughout the totality of his works" (168), however, "the 'material conditions' of writing became part of the form and content of the texts" (169). Not considering these 'material conditions' will prevent one from looking for the underlying unity of *all* of Locke's major works:

> These works are not separate entities; they create a "human cosmology" that, while directly responding to the decisive debates of the day, was to define the lineaments of a bourgeois mentality and practice for many centuries to come.
>
> Thus we should be cautious, when faced with problems in any of Locke's texts, and not blame them on his alleged "inconsistency." Rather we must insist on carefully searching for clues in his other texts. (1989, 61)

Caffentzis explains how the paradox of Locke's having been an early and particularly clear spokesman for the quantity theory of money and simultaneously supporting a recoinage policy, which would be disastrous according to that same quantity theory. is only an apparent paradox. Going to the *Second Treatise* he shows that supporting a monetary standard is central to the purpose of Lockean government, and going to the *Essay* he shows how that standard is essentially the most basic language of society, civil and natural, which requires civil defense from "semantic criminals."

Like Strauss, Caffentzis finally allows a major inconsistency to Locke, which vitiates much of the brilliance of his analysis. Specific criticisms will be more appropriately considered as we get to their place in Locke's account. In general, the

problem is that at the level of examining Locke's ontology of money, Caffentzis gives in to imprudent facility when he attributes a 'substantial' definition of money to Locke (perhaps because of a Marxist faith in Locke's slavery to his time?), which fails to see Locke's account in its fullest possibilities, especially in its attitude toward *time*. In more practical terms, he does not sufficiently account for Locke's awareness of the character of money as credit. Failing to consider this, Caffentzis is turned away from asking the profoundly political question of *why* Locke would 'know better' and still *reasonably* hold an apparently substantialist position. To put this emphatically non-Marxist question in Marx's terms, Caffentzis does not question the character of *ideology*. This failure accounts for a series of what I consider to be missteps in Caffentzis's analysis. Most obvious is his misunderstanding of Locke's political partisanship in blithely mounting the bandwagon and joining in the awkward but 'classic' tune of 'Locke is a spokesman for the bourgeoisie.'[42]

The present study could reasonably be characterized as an application of Strauss's considerations on the character of political philosophical writing to the problem set roughly transcribed by Caffentzis's study, though broadened to more of Locke's political economic policy.

IMPLICATIONS

The possibility that a consistent understanding of political economy lies beneath Locke's writings carries implications for some important questions. In the first place, the doctrine of a continuous historical progress toward a science of economics would be seriously challenged. We have seen that this belief has had direct consequences on the method

---

[42]See Caffentzis 1989, 59–60.

applied to the reading of *Some Considerations*. It is assumed that if one understands modern liberal economics, one understands what Locke was groping to achieve. If Locke's writing is consistent in something like the way I think it is, then judging him by the template of modern doctrine is misguided. Superficial evidence for this can be seen in the degree to which Keynes returned from the classical dogmas, toward Locke's own view. The classical teaching, for example, was that interest was the price of the use capital and emphatically not of money, as Locke had held. With this in mind, Heckscher asserted that "Locke's argument would be irrefutable if capital were really synonymous with money, and interest with the price of money; as this is not so, it is entirely irrelevant" (1955, 204). But after Keynes apparently demonstrated that, in fact, money played *the* critical role in interest rates, the classical presumption became recognizable for what it was.[43] Lord Keynes began a radical revision of the history of economic thought by demonstrating the reasons underlying the superior political judgment of mercantilists and political men, in comparison to the theoretical proponents of the classical school. Keynes's own very brief treatment of Locke, which led him to recognize that Locke was his precursor in many ways, represents a rare effort to go back and take him on his own terms. Still, Keynes stops short of finding the consistency behind Locke's account.

While what Locke actually wrote may have been appropriate to his circumstances, changed circumstances, and different practical ends, make it desirable to understand the timeless logic which lay behind his actual statements. To do less than this is, in effect, to assume that intellectual history is only a history of documents, not of the thoughts of the people who made them. It is only apparently paradoxical that a historian, who assumes that each of Locke's statements is merely an inflection onto paper of the historical circumstances which generated it, and refuses to look behind his various statements for

---

[43]This argument is made by Vickers (1959, 52). Keynes makes a similar point (1935, 344n.1).

logical consistency and considered strategy, in effect assumes that the documents can interpret themselves, and so rules out the consideration of the most vital part of the historical context as inappropriate to good reading.

A second possible scholarly implication of this study would be to encourage a reconsideration of the role of the 'tacit consent' to the money convention in the *Second Treatise*, and similar consent elsewhere. If that pivotal point has been misunderstood, perhaps because historicized, then our understanding of the whole work may have suffered. Consideration of this problem requires some building up to, and so must wait for its due place. Let it suffice to say that the crux of it is the need to reassess the status of prudence and the faculty of judgment in Locke's thought.

Finally, on the level furthest removed from the particularities of this text, as citizens of a modern republic whose political constitution is influenced by Locke, and of a world which runs on money, understanding Locke may help us better understand the logic underlying the relationship between our political constitution and our national and international, and perhaps even our personal, economies. While Locke cannot help us with the specifics of the problems we face, perhaps he can aid us in developing our own rational orientation toward these problems—teach us a guide for judgment.

The present study takes up the task of carefully examining a single text for the possibility of a consistent understanding driving it, and then explores the question of what might be the necessary character of such an understanding. The reader will of course judge for himself the fecundity of the present procedure. If he thinks that we cannot access Locke's thought, he may take it for my own. Or, if reasonable consistency has some little force with him, perhaps he will take what he *thinks* he sees for *his* own? If he believes that the progress of time strictly determines the clearly visible inferiority of Locke's thought, then this attempt cannot but appear ridiculous. It would appear the same to me, too, if I were graced with such certain knowledge, or such faith. If this is

only play, it will be more engaging if taken seriously. For my part, if I ceased to take seriously the possibility that I might "*from his Words paint his very Ideas and Thoughts in [my] Mind*" (*Paraphrase*, 114–5, bracketed word is editor's), and so learn from Locke something vitally important to me, then studying him would hold as little interest as exhuming a nameless mummy from a dank tomb.

Chapter One

WRITING AND MONEY

> *I shall be pardon'd for calling it by so harsh a name as* Madness, *when it is considered, that opposition to Reason deserves that Name, and is really Madness; and there is scarce a Man so free from it, but that if he should always on all occasions argue or do as in some cases he constantly does, would not be thought fitter for* Bedlam, *than Civil Conversation. I do not here mean when he is under the power of an unruly Passion, but in the steady calm course of his Life.*
>
> Essay II, xxxiii, 4

Just before beginning to present his own teaching in the *Essay Concerning Human Understanding*, Locke tells us that he cannot promise "undeniable cogent demonstrations:"

> But in the future part of this Discourse, designing to raise an Edifice uniform, and consistent with it self, as far as my own Experience and Observation will assist me, I hope, to erect it on such a Basis, that I shall not need to shore it up with props and buttresses, leaning on borrowed or begg'd foundations: Or at least, if mine prove a Castle in the Air, I will endeavour it shall be all of a piece, and hang together. (*Essay* I, iv, 25, 102–3)

If Locke's *thought* on money is this consistent, then the reader confronted with his apparently inconsistent *statements* faces the very challenging task of discovering whether—and if so, how—the obscurity and inconsistencies of *Some Considerations* could be part of an intended plan for the work. Locke himself indicates, near the end of *Some Considerations*, that he understands the workings of money quite clearly (in spite of the fashionably modest tone of his claims for this work):

> This business of Money and *Coinage* is by some Men, and amongst them some very Ingenious Persons, thought a great *Mystery*, and very hard to be

> understood. Not that truly in it self it is so: But because interessed People that treat of it, wrap up the Secret they make advantage of in mystical, obscure, and unintelligible ways of Talking; Which Men, from a preconceiv'd opinion of the difficulty of the subject, taking for Sense, in a matter not easie to be penetrated, but by the Men of Art, let pass for Current without Examination. Whereas, would they look into those Discourses, enquire what meaning their Words have, they would find, for the most part, either their Positions to be false; their Deductions to be wrong; or (which often happens) their words to have no distinct meaning at all. Where none of these be, there their plain, true, honest Sense, would prove very easie and intelligible, if express'd in ordinary and direct Language. (*SC*, 330)[1]

Coming back to the very first paragraph of the main body of *Some Considerations*, we find Locke making his own claim not to have an interest in distorting matters of money, although here he is not so forward to deny that they are difficult to understand:

> SIR, I Have so little Concern in Paying or Receiving of *Interest*, that were I in no more Danger to be misled by Inability and Ignorance, than I am to be biassed by Interest and Inclination, I might hope to give you a very perfect and clear Account of the Consequences of a Law, to reduce *Interest* to Four *per Cent.* (*SC*, 211)

There is little reason to doubt Locke's sincerity in his claim to give his best account of these matters, under conditions of inability and ignorance. But his own assertion that these matters in themselves are perfectly comprehensible forces us to question just *whose* inability and ignorance prevents the clarity of the account. Why would he in one place say that these matters are not "very hard to be understood,"and in another that "Inability and Ignorance" may mislead in accounting for them? Is it possible that Locke would distort his account of money so that it will be less likely to be abused by less able or malicious readers? We find some indefinite support for this possibility where Locke makes his famous claims about the possibility of a demonstrative ethics in the *Essay*:

---

[1]Cf. *FC*, 403. Kelly points to a response Locke drafted to a critic, in which he also claimed consistency: "In turn Locke accused him of having failed to pay sufficient attention to his argument, since what he had written was self-evident to anyone who would take the trouble to read the work carefully and dispassionately." (Kelly 1991, 36; Locke to Temple, MS Locke b.3,ff.114–18.)

> They that are ignorant of *Algebra* cannot imagine the Wonders in this kind are to be done by it: and what farther Improvements and Helps, advantageous to other parts of Knowledge, the sagacious Mind of Man may yet find out, 'tis not easy to determine. This at least I believe, that the *Ideas* of Quantity are not those alone that are capable of Demonstration and Knowledge; and that other, and perhaps more useful parts of Contemplation, would afford us Certainty, *if Vices, Passions, and domineering Interest did not oppose, or menace such Endeavours.* (*Essay* IV, iii, 18, 549. Emphasis added to the final phrase.)

Is it possible that Locke's *best* account, his most forceful, consistent and visionary account, of the workings of the economy is made less available to the superficial reader in order to prevent some readers from abusing it? If his thought on money does *keep faith* with itself in some way, then it must be presented in so scattered and apparently self-contradictory a form that, as Locke said of St. Paul's Epistles, it ". . . requires a very attentive Reader to observe, and so bring the disjointed Members together, as to make up the Connection, and see how the scatter'd Parts of the Discourse hang together in a cohering well-agreeing Sense, and makes it all of a Piece" (*Paraphrases*, 104).

INTERPRETING A JUDICIOUS WRITER

Locke's interpretation of St. Paul's letters is indispensable to the interpreter of Locke on money. It is there that Locke explains and demonstrates his own method of interpreting an author who one believes may have had a solid and profound understanding of his topic, but whose writing *appears* to involve inconsistencies and contradictions. It has been argued that Locke's hermeneutical suggestions there are not helpful because there is no proportion between Locke's understanding of St. Paul and *any* other author, including Locke himself.[2] Locke, it is held, believed that St. Paul was spoken to by God in an absolutely unique way. The argument presumes that Locke's faith in the divine source of

---

[2]See Aarslef (1969b, 265–6).

St. Paul's inspiration preceded his own reasoning about it. From this standpoint *The Reasonableness of Christianity* cannot actually tell us anything about the *reasonableness* of Christianity, because its author's reason is already saturated with faith. Locke's own view, however, is that a person cannot help but follow his own reason first, even in assenting to revealed explanations. Even in the case of revelation, Locke says, "it still belongs to *Reason*, to judge of the Truth of its being a Revelation, and of the signification of the Words, wherein it is delivered" (*Essay* IV, xviii, 8, 694)[3] It merits a glance at one of many such statements to make clear that Locke was serious about this criterion; even the case of the prophet is not exempt:

> He therefore that will not give himself up to all the Extravagancies of Delusion and Error must bring this Guide of his *Light within* to the Tryal. God when he makes the Prophet does not unmake the Man. He leaves all his Faculties in their natural State, to enable him to judge of his Inspirations, whether they be of divine Original or no. When he illuminates the Mind with supernatural Light, he does not extinguish that which is natural. If he would have us assent to the Truth of any Proposition, he either evidences that Truth by the usual Methods of natural Reason, or else makes it known to be a Truth, which he would have us assent to, by his Authority, and convinces us that it is from him, by some Marks which Reason cannot be mistaken in. *Reason* must be our last Judge and Guide in every Thing. I do not mean, that we must consult Reason, and examine whether a Proposition revealed from God can be made out by natural Principles, and if it cannot, that then we may reject it: But consult it we must, and by it examine, whether it be a *Revelation* from God or no: And if *Reason* finds it to be revealed from GOD, *Reason* then declares for it, as much as for any other Truth, and makes it one of her Dictates. Every Conceit that throughly warms our Fancies must pass for an Inspiration, if there be nothing but the Strength of our Perswasions, whereby to judge of our Perswasions: If *Reason* must not examine their Truth by something extrinsical to the Perswasions themselves; Inspirations and Delusions, Truth and Falshood will have the same Measure, and will not be possible to be distinguished. (*Essay* IV, xix, 14, 704)

The most recent editor of his paraphrases gives a more measured assessment of Locke's procedure regarding St. Paul's letters, saying that Locke "presupposed Paul to be a coherent thinker," yet, "although Locke approached his task with this dogmatic

---

[3]*Essay* IV, xviii, 4–11; cf. more generally IV, xiv, 12–3, all of IV, xxviii and xix, and *A Discourse of Miracles* in *Works 2*, vol. II, 256–65.

conviction, his enterprise was not uncritical. He operated on the assumption that Paul was a coherent thinker, *and believed that after close examination he had found the assumption to be sound*" (Wainwright 1987, 19–20, emphasis added).[4] Locke began, as we do approaching his text here, with the hypothesis that St. Paul was consistent, and then he *found* the consistency. One cannot reasonably say that Locke thought himself to have found it, and then wrote it, without also having thought himself to have understood it. In other words, in claiming to give St. Paul's consistent interpretation, Locke is claiming to be as, or nearly as, consistent as St. Paul.[5] A response to this, although from a direction hostile to that of the critics above, might be that Locke was forward to admit that he was not infallible, whereas St. Paul's direct revelation perhaps preserved him from at least some kinds of errors. As Locke declares, "I am far from pretending Infallibility in the Sense I have any where given in my Paraphrase or Notes; That would be to erect my self into an Apostle, a Presumption of the highest Nature in any one that cannot confirm what he says by Miracles."[6] The reader may judge for himself in regard to the sequel to that sentence, whether Locke thought that when God made St. Paul a prophet, he unmade him as a man:

> I have for my own Information sought the true Meaning as far as my poor Abilities would reach. And I have unbiassedly imbraced what upon a fair Enquiry appear'd so to me. This I thought my Duty and Interest in a Matter of so great Concernment to me. If I must believe for my self, it is unavoidable that I must understand for my self. For if I blindly and with an Implicit Faith take the Pope's Interpretation of the Sacred Scripture, without examining whether it be Christ's Meaning, 'tis the Pope I believe in, and not in Christ; 'tis his Authority I rest upon; 'tis what he says I

---

[4]Wainwright remarks that Locke's claim was not unlike his early mentor Robert Boyle's "insistence that Paul reasoned 'as Solidly and Acutely' as Aristotle" (20). For a similar assumption in Maimonides, see Strauss 1952, 60.

[5]Zuckert (1978, 57–8) makes a somewhat different response to Aarslef.

[6]The entire Preface is printed in italic type in the original. I present it in roman, italicizing here what is in roman there.

> imbrace: for what 'tis Christ says, I neither know nor concern my self. 'Tis the same thing when I set up *any other Man* in Christ's place, and make him the Authentique Interpreter of Sacred Scripture to my self. He may possibly understand the Sacred Scripture as right as any Man, but I shall do well to examin my self, whether that which I do not know, nay (which in the way I take) I can never know, can justifie me in making my self his Disciple, instead of Christ's, who of Right is alone and ought to be my only Lord and Master: and it will be no less Sacrilege in me to substitute to my self any other in his room, to be a Prophet, to me, than to be my King, or Priest. (*Paraphrase*, 115, emphasis added.)

Locke invariably argues that Christian faith stands up to the tests of reason. The reader who will not let Locke's principles for interpreting St. Paul apply to interpreting Locke himself, so far from doing Locke a service by placing his consistency in a fuzzy warm Christian piety, takes Locke's reasonable Christianity much less seriously than the interpreter who denies the reality of Locke's faith, but at least allows that Locke may have good reasons to *profess* it.

In considering what approach to take to St. Paul's epistles, Locke found it appropriate to look to the bearing of St. Paul himself in writing them:

> 'twas a Matter he was perfectly Master of: he fully possess'd the entire Revelation he had receiv'd from God, had thoroughly digested it; all the Parts were formed together in his Mind into one well contracted harmonious Body. So that he was no way at Uncertainty, nor ever in the least at a loss concerning any Branch of it. One may see his Thoughts were all of a piece in all his Epistles, his *Notions* were at all times uniform, and constantly the same, tho his *Expressions* very various. (*Paraphrase*, 113 emphasis added)

What is important for interpreting St. Paul's variable use of words is the fact of the consistent notions behind them, not the manner of their acquisition. If we are willing to entertain the *hypothesis* that Locke himself possessed clear and consistent notions about his subject matter—that is, the possibility that Locke was simply right about political economy—then we will consider taking the advice he gives on reading a writer of this caliber. The standard he sets for such a writer is very severe. He is not satisfied with wasteful, superficial writing: "If any one has thought St Paul a loose writer it is only because he was a loose reader. He that takes notice of St Paul's designe shall find that

there is *not a word scarce, or expression that he makes use of but with relation and tendency to his present main purpose*" (*Paraphrase*, 167, emphasis added). The careful reader must therefore compare and collate all of the author's enthymemic arguments, filling what is missing in one, with what is present in another, until the way is found which allows all the steps in the "train of proofs" to cohere perfectly with each other.[7] *If* the author under study is 'competent', by Locke's standard, *and if* the interpreter can find this consistency, *and if* this teaching does not contradict some certain knowledge that the interpreter believes himself to possess, *then* the interpreter will also have become 'competent'. What we *must not do* is to begin by assuming that the author's thoughts, where correct, must assimilate themselves to our own. We must take them on their own terms: "if quitting our own Infallibility in that Analogy of Faith which we have made to our selves, or have implicitly adopted from some other, we would carefully lay together, and diligently compare and study, I am apt to think would give us St. Paul's System in a clear and indisputable Sense . . ." (*Paraphrase*, 113–4). The worst reader of St. Paul brings with him an assumption of the meaning of St. Paul's words that cannot be justified by the various relations of St. Paul's words themselves. He should rather compare how they are actually used, in all the places they are used, to see how St. Paul himself understands them. "That is what we should aim at in reading him, *or any other Author*, and *'till we from his Words paint his very Ideas and Thoughts in our Minds, we do not understand him*" (*Paraphrase*, 114–15, emphasis added). The more competent reader rather looks harder for what it is that holds together the apparently loose writings of a

---

[7]Locke mentions in the *Reasonableness*, and demonstrates in the *Paraphrases*, that this process must extend beyond any single letter, to St. Paul's corpus, and the rest of sacred scripture, with which it must essentially agree. "We must look into the drift of the discourse, observe the coherence and connection of the parts, and see how it is consistent with itself and other parts of Scripture, if we will conceive it right" (*Reasonableness*, §248, 186–7).

thinker of whom one has reason to suspect consistent thought. Against those who approach St. Paul as a superficial thinker, Locke urges that:

> It requires much more Pains, Judgment and Application , to find the Coherence of obscure and abstruse Writings, and makes them so much the more unfit to serve Prejudice and Pre-occupation when found, that it is not to be wondered that St. Paul's Epistles have with many passed rather for disjointed, loose pious Discourses, full of Warmth and Zeal, and Overflows of Light, rather than for calm strong coherent Reasonings, that carried a Thread of Argument and Consistency all through them.
> But this muttering of lazy or ill disposed Readers, hindered me not from persisting in the Course I had began . . . (*Paraphrase*, 112)

If St. Paul wrote obscurely, he did it for good reason. Writing more directly would have served "prejudice and Pre-occupation."[8] Perhaps Locke, too, writes so that the truths he conveys are in a form which he believes will not easily serve 'Prejudice and Preoccupation,' while providing indications of the plain *truths* about money to those motivated to think through the problems on their own.[9] In other words, *actual* differences

---

[8]In his journal Locke implies that the main design of a writing may be hidden. While this does not seem to be the case here, the remark is worth considering as it indicates the degree to which he thought wariness reasonable. "LINGUA. Tell not your business or design to one that you are not sure will help it forward. All that are not for you count against you, for so they generally prove, either through folly, envy, malice, or interest" (in King 1830, 2:21).

[9]Cf. Dunn (1968, 70n.1): "Besides [Locke's] notorious personal caution, the whole thrust of his epistemological thought made him acutely sensitive to the obstacles to comprehension raised by men's prejudices [{these brackets are Dunn's} see, e.g., MS Locke, f3, pp.21–2, Jan 23 1678 (Prejudice: Les Esprits populaires s'offensent de tout ce qui repugne à leurs prejugés. D'Espagne c.10.232. One ought to take care therefor in all discourses whether narrative of matter of fact, Instructive to teach any doctrine Or perswasive, to take care of shocqueing the received opinions of those one has to doe with whether true or false JL'." In King (1830, 1:224–8), this entry is found in fascinating juxtaposition with an account of the distinction between different kinds of knowledge and a comment on Algebra.

One will not be as impressed by the initially apparent difference in technical philosophical virtuosity between Locke and Heidegger, when one admits the possibility that Heidegger stands in transfixed dumbness before something that Locke has already worked into the beginning of his account, and his way of life. Cf. Strauss (1992, 212). There is sometimes more to *techne* than meets the eye; it is, after all, art to conceal art.

of character among his readers might be treated as profoundly important by Locke.[10] What were truths to himself and some readers, might be "twisted by knaves to make a trap for fools."[11] By not only bearing this abuse, but also taking steps to avoid it, Locke would be following the advice of ancient experts in the art of rhetoric to mind the character of one's audience in aiming to produce in it a specific affect.[12]

WRITING ON MONEY

It is not enough for us to show that Locke admits the legitimacy of artful writing. We must show that he had reason to write obscurely on money. The best known explanation for wary writing is that it is a response to the threat of persecution. It is possible that Locke wrote his political theory strategically to avoid being hanged like Algernon Sydney.[13] Considering the vehemence of current debate over this question, it is

---

[10]Cf. *2T*, §§54–5, 304. When one abandons the idea that Locke's state of nature is simply historical, the contrast between this actual inequality and the equal freedom at e.g., *2T*, §4, 269, becomes more comprehensible.

[11]Cf. Zuckert (1974).

[12]Aristotle *The Art of Rhetoric* B.I., ch.1; B.II, ch.s 12–18; cf. Cicero, *De Partitione Oratoria,* sec. 15, 90.

[13]Locke uses this explanation for Jesus's behavior in *Reasonableness*, e.g.: ". . . which gives us a clear vision of the cautious and wary conduct of our Savior, in not declaring himself in the whole course of his ministry, so much as to his disciples, much less to the multitude, or to the rulers of the Jews, in express words to be the Messiah the King; and why he kept himself always in prophetical or parabolical terms (he and his disciples preaching only the kingdom of God, i.e., of the Messiah, to be come) and left his miracles to declare who he was—though this was the truth which he came into the world, as he says himself, John 18:37, to testify, and which his disciples were to believe" (§136, 95–6). "It behooved an innocent man, who was taken notice of for something extraordinary in him, to be very wary under a jealous and cruel prince, who encouraged informations and filled his reign with executions for treason, under whom words spoken innocently or in jest, if they could be misconstrued, were made treason and prosecuted

reassuring that persecution seems irrelevant to the present case. The collection of interest, far from being illegal or heretical when Locke wrote, was the law of the land. Some of Locke's views may have been unpopular in some circles, as we have seen regarding the recoinage, for example, but this did not prevent Locke from speaking out forcefully during the fierce public debate on this question.[14]

The other two reasons commonly suggested for artful or strategic writing have to do with the nature of philosophical pedagogy and the deliberative rhetoric of policy advocacy. The issue of pedagogy is the extent to which the careless teaching of philosophy may harm students, teachers and society at large. In the formula of Bacon: "It is true that a little philosophy inclineth man's mind to atheism. . ." While "depth in philosophy bringeth men's minds about to religion. . ." (1942, 66), it is in the treacherous course between 'a little' and 'depth' that the Alcibiades or Stalins of the world are born. It would be ridiculously extreme to begin by asserting the relevance of arguments regarding the interest rate to concerns of philosophical pedagogy, which obviously entails such questions as the being of God and the freedom of the will. Such concerns may *finally* be relevant, but this is not the place to begin. It is immediately plausible, on the other hand, to say that Locke wrote to convince people who had prejudices hostile to his own political designs. Artfulness is the rule, not the exception, in the rhetoric of policy recommendations. It is something with which every self-aware disputant over questions

---

with a rigor that made it always the same thing to be accused and condemned" (§138, 97). Cf. Strauss 1952, 1953; cf. also Caffentzis 1989, 57–61, 167–71; Cox 1960, 14–21; Dunn 1968, 70; Macpherson 1962, 7; Zuckert 1974, 1978. Grant 1987, 8–9n.6 gives a useful list of contributions to both sides of the debate over Locke's way of writing.

[14] It is true that he did not acknowledge authorship of *Some Considerations* for three years. But he did claim it, and said privately that the poor quality of the first edition put it beneath his "owning." See Kelly 1991, 132–3.

of things political is familiar in his own speech or writing.[15] In writing to convince members of Parliament to follow his advice on managing England's economic affairs, this once Oxford Lecturer in Greek and Rhetoric was at least competent in the essentials of forensic rhetoric, his just and oft-repeated disdain for verbal wrangling notwithstanding.

On Reading Letters Addressed to Others. As its subtitle indicates, *Some Considerations* takes the form of "a Letter to a Member of Parliament." As communications aimed at specific persons, letters present the third party reader with the problem of discerning what was taken for granted between the author and primary reader(s). "The Nature of Epistolary Writings in general, disposes the Writer to pass by the mentioning of many Things, as well known to him to whom his Letter is address'd, which are necessary to be laid open to a Stranger" (*Paraphrase*, 103).

Locke tells us that if the letters of a man whom we do not believe to be "of loose and shattered Parts" (*Paraphrase*, 110), do not seem clear and consistent, then it may be that the author's design was affected by the character of his immediate readership or other aspects of the historical context which require consideration. One does not look to the context to see how it *determined* the thought of its author, but to see better what the author could take for granted with his audience, or the premises he could count on in order to convince them *ad hominem*.[16] Only by careful consideration of St. Paul's

---

[15]For an example of the study of rhetoric in policy debates, see Stone (1988). Gadamer (1990, 539): "Is not conscious distortion, camouflage, and concealment of the proper meaning in fact the rare extreme case of a frequent, even normal situation? —just as persecution (whether by civil authority or the church, the inquisition, or any other agency) is only an extreme case compared to the intentional or unintentional pressure that society and public opinion exert on human thought."

[16]See *Paraphrase,* 674, and *passim*, for St. Paul's use of *ad hominem* arguments. Among the difficulties in reading St. Paul listed by Locke in notes possibly designed as a

purpose in writing can any particular statement be best understood. "The Particularities of the History in which these Speeches are inserted, shew St. Paul's end in Speaking, which being seen, casts a Light on the whole, and shews the Pertinency of all that he says" (111).

The general rule that Locke follows in his interpretation of St. Paul's epistles is to endeavour "to make *St. Paul* an Interpreter to me of his own Epistles" (*Paraphrase*, 113). To do this, it is first necessary to see the main design of the work. Second, one must extrapolate to find the sources and consequences of arguments elliptically stated to a particular audience, which was presumed to share knowledge of them. As to the first requirement, in the case of St. Paul's letters this was complicated by the artificial division of his letters into chapter and verse, which may not have followed the original author's intentions:

> In Prosecution of this Thought, I concluded it necessary, for the understanding of any one of St. Paul's Epistles, to read it all through at one Siting, and to observe as well as I could the Drift and Design of his writing it. If the first reading gave me some Light, the second gave me more; and so I persisted on reading constantly the whole Epistle over at once, till I came to have a good general View of the Apostle's main Purpose in writing the Epistle, the chief Branches of his Discourse wherein he prosecuted it, the Arguments he used, and the Disposition of the whole.
>
> This, I confess, is not to be obtained by one or two hasty Readings; it must be repeated again and again, with a close Attention to the Tenour of the Discourse, and a perfect neglect of the Divisions into Chapters and Verses. (*Paraphrase*, 110)[17]

Preface to the Corinthian Epistles is: "From the difficulty it is often to know now the designe he in many places writes with, that depending upon the temper the inclination, the faults or cariage, the opinions, exigences or other circumstances of those he writes to, which though they whom he writes to knew very well and soe could understand what he aimed at and referd to in his letters yet we being now ignorant of and haveing noe means to inform our selves but from his letters themselves must be in many places at a losse about" (672).

[17] While Locke's letter has not been artificially divided by a later editor as have St. Paul's letters, it may be that Locke himself saw good reasons to have done so. This may account for the continual and overlapping parenthesizing of arguments.

If we apply this rule to the study of *Some Considerations*, we see that its immediate purposes are to oppose lowering the interest rate cap and to oppose devaluing the English coin. Underlying both positions, and providing the grounds for their justification, is Locke's "main Purpose": the promotion of trade for the security of the kingdom: against threats from both without and within. For Locke this means primarily increasing the number and productivity of the laboring population. For a country without mines, like England, the only alternative means to riches is conquest:

> By [conquest] the *Romans* made themselves Masters of the Riches of the World; but I think that in our present circumstances, no Body is vain enough to entertain a Thought of our reaping the Profits of the World with our Swords, and making the Spoil and Tribute of Vanquished Nations, the Fund for the supply of the Charges of the Government, with an overplus for the wants, and equally craving Luxury, and fashionable Vanity of the People. (*SC*, 222–3)

The "Industry and Inclination of our People, bold and skilful at Sea, do Naturally fit" England for commerce. Promotion of trade, especially agriculture and manufacturing based trade, amounts to the "main Drift and Design" of this letter. This purpose is clearly stated by Locke in *Some Considerations,*[18] but nowhere as succinctly as it was in a journal entry on 'Trade,' from 1674, the year he finished penning his earlier draft of the work against interest:

> The Chief end of trade is Riches and Power which beget each other Riches consists in plenty of Moveables, that will yeild a price to [a] foraigner, and are not like to be consumed at home, but espetially in plenty of gold and silver Power consists in numbers of men, and ability to mainteine them. Trade conduces to both these by increaseing your stock and your people. and they each other. (*Trade*, 485)[19]

Increasing England's riches and power through trade may also partly drive Locke's other recommendations, for example, the security offered by a powerful trading position is in

---

[18]See e.g., *SC*, 222–4, 228–32.

[19]Cf. *2T*, §42, 298, the place in the *Second Treatise* where Locke most emphatically digresses from the general ideas under consideration there, in order to give a hint toward the procedure of the 'art' of governing.

part dependent on the common perception that the government deals fairly with all kinds of citizens, and so we see Locke concerned that government actions not redistribute wealth from one group to another, "without Merit in one, or Transgression in the other," in the absence of an overriding national interest (*SC*, 220).[20] Similarly, Locke supports a general moral fashion of honesty, sobriety, frugality and industry as requisite to national security.[21] In addition, he makes many specific policy recommendations: he takes stands against free coinage, in favor of regulating banking, against other kinds of monopolies, in favor of wiser management of the national debt, in favor of landed and manufacturing interests, against the class of merchants or 'brokers', and for the limiting of paper credit. He also makes numerous incidental suggestions for the "better ordering" of trade: shorter payment intervals of smaller amounts to increase the velocity of money, more efficient taxation methods, the institution of a land registry, etc. In each case one only properly understands Locke if the particular recommendation is viewed in light of the main drift and design of the work as a whole.

The second general advice that Locke gives us in reading a letter designed to convince a specific audience, is, in effect, to remember that obscure allusions and ellipses may be designedly present in it. In a letter the author presumes a certain shared background of knowledge and opinion with his audience, and so he does not need to state it explicitly. In *Reasonableness*, Locke adds that St. Paul's epistles also "explain the fundamentals of the Christian religion, and that wisely, by proper accommodations to the apprehensions of those they were written to, the better to make them imbibe the Christian doctrine, and the more easily to comprehend the method, reasons, and grounds of the great work of salvation" (§248, 189). Yet the origins of all his arguments are not stated,

---

[20]See also *SC*, 212, 219, 280–3.

[21]Such exhortations are ubiquitous and will be a theme of Chapter Five. Cf. Wood (1984, 46).

nor have they been carried to their logical conclusions. They only go as far as the author believes will be productive of the desired good in the circumstances. Similarly, Locke explains, albeit elliptically, the fundamental principles of political economy.[22] Therefore: "To understand him right, his Inferences should be strictly observed; and it should be carefully examined from what they are drawn, and what they tend to. He is certainly a coherent, argumentative, pertinent Writer, and Care I think should be taken in expounding of him, to shew that he is so" (*Paraphrase*, 111).

Locke's letter is intended to prevent the furthering of policy initiatives. More generally, it is intended to support a position which would lead to different policy initiatives, or a different overall orientation toward trade policy. Bringing people to make a correct decision regarding a course of action does not necessarily require convincing them of the best reasons for the action. Indeed, attempting that may be so arduous that the opportunity for correct action may be lost. As does any able writer of a persuasive tract, Locke must take the character and opinions of his general readership into account when deciding how to convince them to make the right decision.[23] If the presentation of

---

[22]Cf. Angell (1965,18); Letwin (1964, 180–1); Schumpeter (1954, 291); Vaughn (1980, 16).

[23]E.g., Aristotle, *Rhetoric* I, I, 11–12: "Nevertheless, rhetoric is useful, because the true and the just are naturally superior to their opposites, so that, if decisions are improperly made, they must owe their defeat to their own advocates; which is reprehensible. Further, in dealing with certain persons, even if we possessed the most accurate scientific knowledge, we should not find it easy to persuade them by the employment of such knowledge. For scientific discourse is concerned with instruction, but in the case of such persons instruction is impossible; our proofs and arguments must rest on generally accepted principles, as we said in the *Topics*." See also I, ii, 8; II, xxii, 1 through xxvi, 5; III, xvii, 6–16.

The whole first part of the central second book of the *Rhetoric* is devoted to a more specific consideration of particular passions which may govern listeners, or readers. In "Some Thoughts Concerning Reading and Study for a Gentleman, 1703," Locke asserts that for a gentleman, "whether as a private man or as interested in the government of his country, nothing can be more necessary than the knowledge of men." For this

Locke's own understanding of political economy required a complex argument, a "train of proofs" (*Reasonableness*, §243, 179), or the attentive following of a "long traine of Consequences" (*EW*, 179),[24] he may well lose many of the readers he was most desirous of convincing. Rhetoric may well be *more* forceful when the author *neglects* to demonstrate the reasoning behind it.[25] The best, and in a certain way most indifferent, reader of such a letter must extrapolate from his elliptical statements, to find "from what they are drawn, and what they tend to" (*Paraphrase*, 111). If Locke has modified his writing to convince prejudiced men with *ad hominem* arguments[26]—which are not simply false—then we must speculate on the character and opinions of his readership.

---

experience and reading history are best, "yet there are books which of purpose treat of humane nature, which help to give insight into it. Such are those treating of the passions and how they are moved; whereof Aristotle in his second book of *Rhetorick* has admirably treated and that in little compass" (*Reading*, 403).

[24]For the difficulty presented by observing and retaining in the memory each step of a long train of reasoning, which "makes Demonstrations long and perplex'd, and too hard for those who have not strength of Parts distinctly to perceive, and exactly carry so many particulars orderly in their Heads," see *Essay*, IV, xvii, 15, 684.

[25]Locke says of Montaigne: "Montaigne, by a gentle kind of negligence, clothed in a peculiar sort of good language, persuades without reason: his Essays are a texture of strong sayings, sentences, and ends of verses, which he so puts together, that they have an extraordinary force upon men's minds. He reasons not, but diverts himself, and pleases others; full of pride and vanity" (King 1830, 1:296) .

Locke means 'gentle' as characteristic of good birth, in approximately the same way we today use 'classy', although we often use it thoughtlessly. That this does not seem to be unmixed praise does not mean that Locke did not learn something from the technique. Cf. Strauss (1959, 209).

[26] Perhaps the most obvious example of this use of *ad hominem* arguments is his justification of the payment of interest on money, to an audience of *rentiers*, as "*as* equitable and lawful, as receiving Rent for Land" (*SC*, 251 emphasis added). For St. Augustine's views on the limits of Christian prudence in writing, see (1994, 254–6).

The Reader. We have the advantage of knowing much more about the specific character of the immediate audience for this letter than Locke did of St. Paul's. Locke tells us that the immediate addressee is his friend, and so he writes in a familiar style, "such as a Man writes carelesly to his Friend, when he seeks Truth, not Ornament" (*SC*, 209). The addressee, who is ostensibly given the responsibility of deciding whether *Some Considerations* would be published, is considered by Locke to be a patriot, active in the government of his country. The "sincere Love and Concern" he has for his country "puts [him] constantly upon casting about on all hands for any means to serve it . . ." (210). We therefore expect that Locke's argument ought to demonstrate the national interest, or what is best for the *Kingdom*, not just a particular class, or part of it. The addressee is, however, also an aristocrat, i.e., among other things, a landowner, and so we might expect Locke to present his case in such a way that the landed class will best appreciate its force. We will return to this.

Locke's letter, again like those of St. Paul, is not simply private. It is also designed to be read and heeded by a larger group. We may presume that Locke expected his friend to publish it, and so there may also be some accommodation to the heterogeneity of a broader readership. As any controversy over a book attests, not all readers can be expected to take the same words in the same way. At the very least, their different social and economic positions imply that the same facts will affect them variously.[27]

Most of Locke's readers' beliefs regarding political economy were mercantilist. While there is some legitimate question as to the propriety of the name 'mercantilism' for a 'school of economics', it is useful in characterizing a set of common opinions and genre of writing on economic questions current in the seventeenth and eighteenth centuries.

---

[27]We will later consider more fundamental differences among readers which may have been important to Locke; but again, this is not necessary to make a start.

Mercantilist authors were often businessmen whose pamphlets were mostly unsupported assertions based on personal experience, often claiming, but rarely attaining to a unified perspective. They all at least pretended to be most interested in the strength of the nation, in an economic world conceived as a place where one country's gain was always a loss to others. More particularly, it was the shared opinion of mercantilists that the means of achieving national riches, was, in Vaughn's words, "by maintaining a large stock of precious metals through consistent export surpluses in foreign trade, in the belief that a constant inflow of specie would lead to low interest rates, increased trade, increased capital stock, high employment, and high prices, all vital to their conception of a healthy economy" (Vaughn 1980, 46).[28]

Arguments for reducing the interest rate ceiling were dominated by this view. In 1690, Josiah Child, who had perhaps first awakened Locke's concern with the issue years before, came out with another pamphlet in support of the measure. Also printed that year was *A Letter to a Friend concerning Usurie*, by 'R.C.', summarizing much of the tract literature in favor of the lower rate. In general, it was argued that lower interest would stimulate trade by lowering production costs, allowing merchants to undersell competitors. More money would also be borrowed and more ships built. The Crown and Kingdom would thrive. Key arguments for getting the bill passed focused on the interests of landowners who dominated Parliament: their tax and debt burdens would be eased, and the purchase price and rents of their lands would be raised.[29]

---

[28]Vaughn is correct, I believe, when she insists against tradition that, "If Locke must be classified with either the mercantilist-practitioners or the scientist-theorists, there is no doubt that he belongs in the latter camp rather than in the former" (49). The strongest statement of the opposing view is Heckscher (1955, 203), who says that Locke's "general outlook was mercantilist in every respect." The emphasis in Vaughn's statement should be on 'if'.

[29]See Kelly 1991, 8; *SC*, 227, 243, 294–303.

Arguments for 'raising' the coin were less homogeneous. The most conservative were apparently only recognizing the fact that clipping had already done the devaluing, and did not differ from Locke in principle. The most well known, Lowndes' *A Report Containing An Essay for the Amendment of the Silver Coins*, 1695, falls into this category, although Locke frequently implies that the personal gain of officers of the Mint or Treasury is another motive. Other claims parallel the mercantilist arguments above, that relieving creditors will spur trade. The arguments which Locke considered the most harmful, argued the "dangerous" theoretical point that money's value was man-made and therefore completely susceptible to sovereign manipulation. Barbon's arguments were especially important in this regard.[30]

Locke was trying to get his country to walk a middle line between the traditional mercantilists and the more modern 'inflationists'. His writing had to keep both parties in mind. In order to draw supporters to his view he would want to demonstrate agreement with each side, in a manner such that he did not lose unnecessarily readers of the opposite view. He did not always shy away from confronting prejudices, but as a kind of pragmatist, he did not insist on fighting every fight, especially if a prejudice was generally salutary. One method that Locke adopted to deal with this situation has been characterized by Kelly as a "*deliberately* static approach" (1991, 91–2 emphasis added). Douglas Vickers also recognized that a dynamic understanding of economic variables must have lain behind Locke's static presentation:

> His discussions of the several monetary relationships were carried on in terms of an implicit, but nonetheless real, *ceteris paribus* assumption, and in contexts which were quite unrelated to one another. The failure to perceive this definitional character of his work has given rise to much of the criticism against it. The recognition of it, on the other hand, explains some of his apparent contradictions and inconsistencies. (Vickers 1959, 54)

---

[30]Cf. Appleby (1976).

Vickers is, I believe, correct in his explanation of much of the criticism of *Some Considerations*. He is also correct when he implies that some key readers closer to Locke's own day thought that they recognized Locke's strategy, and synthesized the antithetical strains of Locke's *writing* into a new dynamic model:

> . . . Locke's codification of ideas undoubtedly represented a major step forward. And more than that. It became important to the century that followed that, *by stating the case in the way he did, Locke opened the way to the development of a theory of monetary balance and economic equilibrium.* The embryo of this idea lay in the fact that while Locke set down his theoretical relationships in what we have shown to be static, definitional forms, his ideas nevertheless emanated from a recognition of flux and change in economic affairs. (Vickers 1959, 60, emphasis added)[31]

Locke employed a style which would enable him to show his most moderate or reasonable readers how interest rates interact with the quantity of the money *commodity* to change the quantity of *circulating* money, thus abandoning dogmatic metallism, *without* supporting the dangerous inflationist position that sovereign control of the money standard has *no* natural limits. Locke's own underlying account of the economy is based on natural limits which are not themselves immediately persuasive to an effective majority of his audience. He is in effect showing that the apparently hard-headed materialism of the inflationists actually amounts to a false and dangerous kind of idealism. At the same time, Locke must speak in such a manner that his more common, prejudiced reader will be satisfied that the great philosopher agrees with them, in a way which makes them amenable to his leadership in making salutary decisions—he ought to believe that Locke is talking here about storing treasure, and balancing trade, per se.

Measured by its effectiveness, Locke's political rhetoric was fantastically

---

[31]For reasons which we will consider below, the model of economics that was synthesized from Locke's writing was radically transformed from the thought which lay behind it.

successful.[32] Monroe shows us just how well Locke's rhetoric was crafted for immediate political effect, and a longer term effect on the way men thought about commerce, when he says that "Locke's discussion made a great impression upon his contemporaries, but they attached principal importance to aspects of it which to us seem rather secondary. It was some thirty years, for example, before even passing reference was made to his elaborate demonstration that the value of money is essentially a special case, being determined by quantity alone" (1965, 113).

The recoinage at the old standard was completed following the outline of Locke's proposals, although not as Locke had suggested in some crucial details of implementation.[33] And while the King, whom Locke had personally convinced, thought that he had made a mistake when a hard depression caused by the immediate credit crunch followed the recoinage, Locke himself was still quite satisfied.[34] Sir Albert Feavearyear attributes the "sanctity" of the gold standard among Englishmen, and most all Europeans, for most of 200 years, to the influence of Locke's reasoning in these writings. "In these circumstances the country gained far more than it lost from the consequences of Locke's reasoning" (Feavearyear 1965, 148–9). As I have already indicated, the force of Locke's views was also important in the development of the academic discipline of economics. His work was read with care by most important

---

[32]See Feavearyear 1963, ch.6, esp.142–4; Horsefield 1960, ch.s 4–6; Li 1963, ch.14; Polanyi 1944, 25–6.

[33]In particular, Locke recommended the immediate requirement that money pass only by weight, and that scales be used in the transition before sufficient full-weight coins were minted. This would pull heavy money out of hoards, as well as preventing a grace period in which the most crafty men could unload the light money they were holding, leaving only the naive to suffer. The actual policy allowed just that, for which Locke is sometimes heedlessly blamed. See *FC* 418–9, 475; Caffentzis, 41–3; and for an overview of the recoinage, Feavearyear, 138–46.

[34]See Kelly (1991, 37, 64–5).

theorists of the 18th century. Before Keynes, writers as diverse in their philosophical and political orientations as Cantillon, Galiani, Harris, Hume, Leibniz, Marx, Newton, Rousseau, Smith and Steuart had shown strong interest in Locke's writings on money.[35] Even in disagreement, the importance of his views is visible in the care taken to refute them. This direct influence certainly did wain by the beginning of the nineteenth century, but we might ask whether that waning truly represents *progress*.

A prevalent view today is that his 'economic' thought lost its persuasive force as a more scientific view replaced it and its class ideology became obvious. This would not represent progress if either Locke did not hold a class bias, or if the class bias he propounded were actually more 'scientific' than its absence. In regard to his role in the recoinage debate, Joyce Appleby identifies the appeal of Locke's account of liberty and how it meshed with his concern for the material interests of the most powerful segment of English society as the twin pillars of the effectiveness of what she sees as Locke's flawed logic:

> The argument was circular and outdated. Locke's view prevailed not because it explained the economic phenomena of his day, but rather because of the compelling association he drew between economic and political freedom, an association predicated upon the dogma of natural, universal, inexorable laws working outside the purview and power of human legislators. His triumph at the practical level lay in the harmony between his ideas and the vested interests of the parliamentary magnates who decided that the clipped silver coin would be called in and reminted at the old standard. (Appleby 1976, 55–6)

---

[35]From the standpoint of the question of the historical filiation of the science of economics, perhaps none is more important than Cantillon, whom Jevons argues to be "the veritable cradle of political economy" (in Cantillon 1964, 359). See also Higg's essay in the same volume. Cantillon describes the first chapters of his essay as an explanation of a remark by Locke: "M. Locke lays it down as a fundamental maxim that the quantity of produce and merchandise in proportion to the quantity of money serves as the regulator of Market price. I have tried to elucidate his idea in the preceding Chapters: he has clearly seen that the abundance of money makes every thing dear, but he has not considered how it does so" (161). That he does not say is not proof that he has not considered.

We have seen, and it is no great surprise, that all effective writers of policy recommendations are compelled by the hope of success to shape their arguments to appeal to the "vested interests." Nevertheless, Locke's concern for the landed goes beyond the common run. Neal Wood contends that one unifying theme in all of Locke's work is the reform of the English gentry. According to Wood, some aspects of even the seemingly apolitical *Essay* are best understood in this light:

> The *Essay* belonged to the same genre of didactic works as Bacon's *Instauratio magna*, but Locke's purpose was considerably more modest than that of the lord chancellor. Locke's aim was to launch a much less ambitious instauration: to suggest how men might act in a more rational way than they had in the past. Over the years he had become increasingly perturbed by what he took to be the decline of the gentry. He criticized them, as we have seen, for their slothful and extravagant living. They were idle, he believed, given to expensive vanity and self-indulgence, to spending beyond their means only for the present with little thought of the future. They lacked industry, frugality, and sobriety, mismanaging their estates with the result that many became bankrupt. Locke apparently thought of his role as that of changing for the better these corrupt but critical actors in English society by showing them how to become more industrious and rational individuals. He wished, on the one hand, to rejuvenate the gentry. On the other hand, he was distressed by what he took to be the laziness and profligacy of the vast mass of the lower classes, and hence he was deeply concerned with improving labor discipline, transforming the impoverished, propertyless majority into an industrious, thrifty, God-fearing, and compliant work force. Most of his energies were expended on the former task, but his seldom-read memorandum of 1697 on the reform of the poor laws is an obvious example of his worry over the latter problem. (Wood, 1984, 97)

Although our methods lead us to differences of understanding, I agree heartily with Wood that changing the hearts and minds of the gentry is a prominent aim of Locke's rhetoric.[36]

---

[36]My disagreement with Wood lies in the difference of our views as to what underlies this division between the classes. Wood's historical method forces him to divide them superficially, because it discourages him from seeing what underlies and unites them. He is forced to neglect the deeper systematic connection, and this pushes him toward the misinterpretation of critical particulars. Seeing in Locke, for example, a proponent of "agrarian capitalism," implies that he had a particular thing in common with all 'capitalists' which he probably did not. Wood similarly errs in interpreting Locke on the relation of labor and value. And nowhere is his account more distorted than in the role he gives *charity* (cf. 1984, 78). This makes him misunderstand the difference between the

In contrast to the common view that this class concern demonstrates the 'ideological'—and this means unscientific—character of Locke's thought, I intend to show that it is only when Locke's rhetoric toward this class is considered that the truly scientific character of his thought comes to light at all. With this in mind we turn to the consideration of the organization of the work.

"Ill-formed letter." As we have seen, the critical consensus has been that Locke dashed off this work in a hurry and simply did not organize it. While he did prepare sub-headings for it, the published edition is not in fact divided into chapters or other sub-sections. The first time one reads through this book it does indeed read like a letter from a friend, full of long parentheses, repetitions based on rethinking while writing, and plain errors. The last forty or so pages on the coin appear 'tacked on' to the first ninety or so on the interest rate, as if the letter were taken up at another time, in another frame of mind. And in the middle of the section on interest rates it seems that the author slipped in an apparently systematic, though actually flawed and repetitive, account of value and

---

early writings and *Some Considerations*. Wood says elsewhere that the relationship between the *Second Treatise* and the *Essay* is "hardly a logically necessary one" (1983,180). The more openly political work offers "a practical political programme for the implementation of the *Essay's* proposal for a modest instauration" (181). The view of human nature which he says holds the two books together, is for Wood apparently not one logically derived. While I agree with him that the philosopher is misunderstood as not involved in the "arena of passion and action," looking there for the *source* of his coherence seems a dubious procedure (181). It is not "dehumanizing" to consider Locke's eminently logical account of humanity. Still, we agree that Locke is in part undertaking a project of ethical reform, and that one important target of, and I would add potential ally in, that reform is the landowning class. I would urge the following characterization by Nathan Tarcov of the relation between two of Locke's works as an amendment of Wood in the right direction. "An examination of the content of Lockean morality as articulated in *Some Thoughts Concerning Education* reveals his reconstruction of the model of the liberal gentleman on the basis of the hedonist principles familiar to the reader of the *Essay Concerning Human Understanding*" (1984, 77). Cf. also Horwitz 1977, esp. 150–1.

trade.

Let's take a slightly closer look at the disorder of Locke's presentation.[37] After the dedicatory epistle, Locke dashes off a summary of the consequences of lowering the interest cap. He gives almost no reasons for these "unavoidable consequences," then repeats the consequences, some the same, some different, *if* the law *could* work, "which it cannot," here providing more of his reasoning, but under what he explicitly says are *false* premises. This continues through the first twenty pages.[38] Through these pages Locke sprinkles never-to-be-repeated definitions like that of "natural interest," which turn out to be critical to the understanding of his later arguments. The considerations of some questions, such as the difference between foreign and domestic borrowing, cross the boundaries between enumerated consequences. At the last of these impossible consequences, the hindrance of trade, Locke begins (as a digression!), an account of the relationship between money, trade and wealth which lasts for above sixty pages and contains the principle arguments of the book. When he does finally return directly to the interest rate, it is to say, amazingly, that *he is in favor* of a law regulating interest, implying that all of his above argument was only to prevent *changing* the rate—not against regulation, per se (282). Within the larger parentheses, regarding the importance of maintaining the trade, Locke further embeds parenthetical and partial accounts of credit, money's essential character, its circulation, its value in relation to commodities, its value in relation to land, the interests of the landed in regard to rents and taxes, and more, with lesser parentheses in many. Locke makes almost none of these parentheses

---

[37] An outline prepared in part from Locke's subheads and quire index is provided in the Appendix to this chapter.

[38]Pages in Kelly's edition, that is. Excluding the dedicatory epistle, *Some Considerations* occupies 132 pages in Kelly, 192 in the edition of 1696.

explicit.[39] One exception is the core of the section on interest, which is an obvious parenthesis containing twenty-one numbered particulars outlining the nature of value, money, and trade; some of this account appears to be simply irrelevant, some repetitive, and the rest hopelessly over-involved and complicated. Themes such as the maintenance of high rents and repeated comparisons with Holland, which figure in the large parenthesis on trade, also carry over to the parts remaining after Locke's support for maintaining the law governing interest. The last ten or so pages or so of the section on interest are taken up with apparently random responses to opposing views.

The section on coinage which occupies the final thirty-nine pages of *Some Considerations* is even less clearly organized. The first half of this section offers a string of loosely related arguments against lowering the silver content per accounting unit of the English coin—all based on the much-questioned account of the 'intrinsic' value of money put forth in the first section, on interest. He also shows how devaluation will not prevent coin from being exported, or melted and exported, and he makes arguments against bimetallism. The second half of the section on coinage is again responses to his opponents.

Shot through all the book is a constant, 'unscientific,' emphasis on the virtues of honesty, industry and thrift.

Logical Divisions. On the first reading of *Some Considerations,* few of the above parentheses are visible. I have characterized them as such only to indicate how confusing a first read must be. Locke's prose is sufficiently gentle to ease the more or less casual reader from one question to another and to keep him interested in the one at hand,

---

[39]In the notes for a Preface to his paraphrase of the Corinthian Epistles, Locke lists "From his large parentheses" (*Paraphrase,* 672), first among the difficulties in St. Paul's Epistles. See also 104, 146, 203, 206, 281, 488, 495, 520, 597, 639, 653, 674.

preventing his being halted by glaring gaps, shifts or contradictions. After reading it once or twice, the reader interested in a better understanding of the thought behind it must apply some principle of division in order to begin analyzing the arguments. Only two features of *Some Considerations* make immediately obvious divisions.[40] The most obvious is between the sections on interest rates and coinage. As stated above, the section on coinage adds little of theoretical interest, although the coinage controversy was of the most immediate practical importance. The one other division that is more or less immediately visible is provided by the list of twenty-one numbered "particulars," placed in the middle of the section on interest rates. This list of particulars divides the section on interest into three parts, those preceding (pp.211–257, paragraphs 1–70) and following (pp.269–303, par. 98–162) these particulars, of more or less equal length, and the particulars themselves (pp.258–269, par. 71–97). On somewhat closer inspection we see that these particulars are also part of a larger central sub-section (pp.243–282, par. 45–117), dealing directly with the concerns of the landed regarding the interest rate and other issues.

Only this list of numbered particulars which occupies the center initially appears to the reader to have been carefully organized as a precise logical argument, though one soon becomes puzzled by its combination of irrelevant features, gaps, repetitions and over-involvement. Unfortunately, if one has read the most recent editor's "Introduction" to *Locke on Money*, one learns that this section hardly even belongs where it is found. Kelly gives the following account of Locke's placing the material including these particulars into his 1691 text:

> The only other addition to the manuscript which need detain us is the

---

[40]A third, less clear, dividing feature is Locke's answers to the arguments of popular or influential tracts at the end of each section (pp.301–3, 330–43), and once earlier (pp.227–35, 294–300). For the most part these are simply continuations and refinements of the arguments at hand.

> lengthy passage dealing with the so-called 'Laws of Value' and foreign exchange on pp.254–70. This material comes from the Early Writings and was apparently incorporated only at a late stage, since the actual sheets from Locke's 1668–74 autograph have been interpolated in the manuscript draft at this point. This impression is corroborated by the fact that the material has been far from carefully embodied in the text, and it is indeed mainly responsible for the excessive repetition that critics have objected to in *Some Considerations* (despite the fact that these passages have been comparatively heavily amended in the 1696 edition). The discovery that this lengthy passage, which contains the explicit account of the value theory which serves as the tool for the analysis of interest and the exchange value of money, was only a last-moment addition to the pamphlet comes as a considerable surprise, the more so because it supplies the main conceptual link between the sections on interest and on coinage. [Kelly notes here: "This shows that Locke did not originally consider this material essential to his argument, and provides further corroboration of what is said, p.96 above, on its being a distortion of Locke's position to see him as systematically developing his ideas from his theory of value."] (Kelly 1991, 130–1)

Kelly, however, may be wrong. Against his weighty opinion, I will here treat these *particulars* as if they were of central importance. Focusing on them will seem to be the worst kind of distortion of Locke's work, to those who share Kelly's view of their haphazard inclusion into *Some Considerations*. For them, trying to *make* such a careless pamphlet into a coherent argument can only yield the confused contents of the mind of the interpreter. Yet this approach makes sense if our interest in this text is not merely antiquarian. To discern whether Locke is writing from a consistent position, from which something may still be learned, we know that we must first assume that every part of the text is there for some reason which we do not yet understand. If this *finally* leads us to untenable conclusions, then Kelly is correct and we may dismiss the work. If the consistency which I call Locke's is only a "Castle in the Air," the reader will judge whether its hanging together alone is of any value.

From our perspective the information that Kelly gives us here is very interesting, but does not lead necessarily to the conclusions which he draws. He tells us three things. First, that Locke inserted these particulars into the middle of his newly revised text. (While Kelly does not say it, we may add that, counting by paragraphs, it was *exactly* the

center of the middle section on the interests of the landed, which makes the middle of the main section on interest rates.) Second, Kelly tells us that it is the presence of these particulars that causes numerous repetitions in the work. This fact is apparently decisive against their importance for Kelly. However, when we consider Locke's tactic of presenting his dynamic thought in static terms, for the reasons indicated above, these 'repetitions' take on a new light; it must be remembered that, if only for differing contexts, no two statements are identical.[41] Finally, Kelly tells us that these sections were only sparingly revised from their earlier form—in other words, they may be the longest enduring part of Locke's thought.[42] Considering this, along with their admitted necessity to Locke's argument, it seems a bold leap to assert with Kelly that their placement into Locke's text was haphazard. It is not sufficiently appreciated that in introducing these particulars Locke promises an account of *how* lowering the legal interest rate may lessen the quantity of money, and so lower prices:

> If lessening *Use* to Four *per Cent.* should at all alter the quantity of Money, and make it less, it would make Money, as it has the Nature of a Commodity, dearer, *i.e.* a less quantity of Money would Exchange for a greater quantity of another Commodity, than it would before. This perhaps will appear a little plainer by these following particulars. (*SC.* 257)

This linkage between interest rates and prices is precisely what Keynes finds most wanting in Locke's work. That is, its absence is precisely what makes Locke's account incomplete, in Keynes's opinion. In spite of the near universal opinion that this account

---

[41]Cf. Strauss 1952, 63–4.

[42]The "comparatively heavy" amendment of the particulars for the second edition of *Some Considerations* is primarily in their division, which preserves, or rather restores from the botched first printing (Kelly 1991, 131–5), the centrality of the particular concerning money's vent, number eleven in the final form of the text. Some other changes, mostly excisions, will be noted in their appropriate context. Kelly's discovery that these central particulars were written first also does tell us something interesting . . . about the composition of judicious books.

is absent, our methodology requires that we take seriously Locke's promise of its *presence*. It undoubtedly does at first appear to be absent. But perhaps he has complicated an already complex argument by scattering his meaning "up and down" through his text.[43] His explanation of the reduction of money in the country through changes in the interest rate does appear to be 'mercantilist'—i.e., due to the exportation of specie. Yet, to maintain this interpretation requires attributing to Locke errors in logic, and self-contradictions which too easily make Locke the fool. Only a very careful consideration of this list of particulars, along with an attempt to reconcile them to various 'repetitions' throughout this and other works, will reveal the diamond hardness of Locke's logic. Once the reasoning in these particulars is understood, the larger central section on the interests of the landed will be seen to bespeak a radical difference of perspective between Locke and his more 'modern' contemporaries such as Petty, Barbon and North, who hoped for far more than he did from political arithmetic and technical economics.

In order to treat the underlying consistency of the work, we must impose an order on the form of Locke's text which he did not. We will therefore examine the whole text by way of a careful analysis of those few pages containing this list of Particulars (12 pages in Kelly's edition), showing how what is presented there explains the rest of the organizational scheme of Locke's text, and relates this text to the body of his work. These particulars lend themselves to subdivision into three sets of seven, by the introduction of the direct consideration of money with number eight, and the introduction of dynamic and extra-national considerations with number fifteen. Early versions of the first two sets, or 14 particulars (12 in the early writings), were written in 1668. The early version of the last seven was added in 1674. Each of the next three chapters will examine

---

[43] *IT*, §9, 147; cf. the end of §7, 146; see Cox 1960, 34–5.

a set of seven particulars.

APPENDIX TO CHAPTER ONE

The Outline of Some Considerations. The following is a summary outline by paragraph (and page) of the contents of *Some Considerations*. Headings in italics are from subject headings added by Locke to the margins of the final manuscript draft (Kelly 1991, 507–612). Headings in bold italics are from a quire index prepared by Locke. (See Kelly 1991, 505–6.) Where headings are given in both places, the second has been bracketed. The outline form and roman print headings and comments are mine:

I. Introduction and Consequences. ¶1–44 (211–243)

A. ¶1 (211)Disclaims bias, owns ignorance

B. ¶2–22 (211–228)Assertion of Consequences

1. ¶2–9 *Interest not governable by law* [***same, plus: Consequences of a law not valid***]

a. ¶3 ***Difficulty of Borrowing***
b. ¶4 ***Losse only to Orphans and unskilful lenders***
c. ¶5 ***Profit to the Bankers***
d. ¶6 ***Perjury***
e. ¶8 ***Causes of high natural interest***

1. ***Great debts***
2. ***Mony disporportioned to the trade***

2. Valid ¶10–22 *Consequences of lowering interest if a law could doe it* [***Consequences of an effectual law***]

a. ¶ 11 *Losse to widows and orphans [**Losse to widows Orphans &c**]*
b/c.¶ 12–13 *Profit to the merchand not to the Kingdom* [***Gain to the merchand not to the nation.***]
d.¶14 *Hindrance of Trade [**Hinder lending and trade**]*
¶19 ***Consequences if the Lender be a forainer***
¶22 ***Bils pay noe debts***

C. ¶23–44 (228–243)How the Quantity of Money is related through Trade to the

Riches and Power of the Kingdom.
1 ¶23–27 *Overballance of Trade only makes rich* [***Over ballance of exportation only makes rich]***
2 ¶28–31 *How mony necessary to trade* [***How money necessary to trade: as counters and pledges***]
a. 30 *currant bills*
b. 31 *Credit what*
3 ¶32–44 *What proportion of money necessary to trade* [***What proportion of money necessary to trade***]
a ¶33 *To the Labourer*
b ¶35 *To the landholder*
c ¶37 *To the Broker*

(The original 1668 writing, excluding the supplement added later that year, ended here.)

II. ¶45–117 (243–282) The Question of the Relation of Land and Money through the Interest Rate.

A. ¶45–70 (243–257)
1. 45 Change of interest changes not the value of mony ***[Lowering of interest wil not raise commoditys***]
2. 53 *Land/Commodities/Mony*
3. 55 *Mony a commodity* ***[Mony valued as commodity]***
4. 57 Money as Land ***[The value of mony as Land]***
5. 60 *Price of Land not regulated by interest* [***Why the price of Land is not regulated by Interest]***
6. 62 ***Plenty of buyers and few sellers raises the price of Land***

B. ¶71–97 (258–269)Particulars.

(The 1668 addition broke off at particular 14 [then 12], the 1674 material ended after the last particular, 21 [then 19].)

C. ¶98–114 (269–280)
1. ¶106–114 ***Land tax best for the Land holder***
a. 112 ***Land in Holland bears to the utmost***

D. ¶115–117 (280–282) *Lowering of interest if a law could doe it not fit to be don* [***Raiseing of Land by faling of interest noe advantage to the Kingdom***]

III. ¶118–162 (282–303) What ought those most concerned with national government do?

A ¶118–124 (282–284) ***Interest ought to be regulated by law***
1. 122 *What ought to be the legall interest* ***[What should be the legal interest]***

B ¶125–130 (284–288) *Falling of interest improves not trade or wealth*
1. 128 Securities
2. 129 ***Interest in Holland free***

3. 130 How properly to lower interest

C ¶131–136 (288–291) *Cause of falling of rents* ***[in England]*** (N.B., this is the last marginal heading.)

D. ¶137–140 (292–294) ***Frugality can only raise our rents***

E ¶141–149 (294–300) Reactions to opinions about interest rates from unspecified sources: "Some say that . . ."

1. 144 ***Spend thrifts ought not to be favoured]***
2. 146 ***It will not help men to mony***

F. ¶150–162 (301–303) Response to *A Letter Concerning Usury*

Of Raising Our Coin:

I. ¶1–50 (304–330) Arguments against "Raising" coin

A. ¶1–21 (304–313) Introduction and consequences

1. ¶1 ***Raiseing our mony***
2. ¶4 ***Why fine silver dearer than alloid***
3. ¶5 ***Raiseing the denomination raises not the value***
4. ¶9 ***Inconvenience of raiseing one species***
5. ¶18 ***Necessity of coinage***

B. ¶22–40 (313–323) Impotence against exportation of bullion

1. ¶24 ***Raiseing wil not hinder melting your mony***
2. ¶26 ***Mild mony best***
3. ¶33 ***Raiseing wil not hinder the exportation of Bullion***
4. ¶34 ***Clipd mony***

C. ¶41–47 (323–328) The problem of bimetallism

1. ¶41 ***Raiseing gold to silver &c.***

D. ¶48–50 The standard and its manipulation.

1. ¶48 ***Farthings*** [The sanctity of the standard]
2. ¶49–50, The advantages some draw from manipulating money

II. ¶51–97 (330–342) Remarks on *Remarks on a Paper given in to the Lords, &c.*

III. ¶98 (342) Closing address

Chapter Two

THE MARKET'S WAY OF TALKING

> *He that hath liberty to define, i.e. determine the signification of his Names of Substances, (as certainly every one does in effect, who makes them stand for his own* Ideas,*) and makes their Significations at a venture, taking them from his own or other Men's Fancies, and not from an Examination or Enquiry into the Nature of Things themselves, may, with little Trouble, demonstrate them one of another, according to those several Respects, and mutual Relations he has given them one to another; wherein, however Things agree, or disagree, in their own Nature, he needs mind nothing but his own Notions, with the Names he hath bestowed upon them: but thereby no more increases his own Knowledge, than he does his Riches, who taking a Bag of Counters, calls one in a certain place a* Pound, *another in another place, a* Shilling, *and a third in a third place, a* Penny*; and so proceeding, may undoubtedly reckon right, and cast up a great Sum, according to his Counters so placed, and standing for more or less as he pleases, without being one jot the richer, or without even knowing how much a Pound, Shilling, or Penny is, but only that one is contained in the other twenty times, and contains the other twelve; which a Man may also do in the signification of Words, by making them in respect of one another, more, or less, or equally comprehensive.*
>
> Essay IV, viii, 10

Twenty-six paragraphs into his refutation of the claim that "the lowering of *Interest* will raise the value of all other Things in proportion" (*SC*, 243), apparently in order to help the reader to consider precisely *how* changes in the interest rate might affect the prices of goods, and especially land, Locke begins his list of particulars with what seems to be a self-evident proposition about the natural value of things.

1. That the Intrinsick Natural worth of any Thing, consists in its fitness to supply the Necessities or serve the Conveniencies of human Life; and the more necessary it is to our

Being, or the more it contributes to our Well-being the greater is its worth: But yet,[1] (*SC*, 258)

It is generally assumed that by "Intrinsick Natural worth," or intrinsic value, Locke meant to signify the *objective, absolute* capacity of a thing to satisfy bodily needs. As such, it would be only accidentally related to subjective desire. Karen Iverson Vaughn, for example, in contrasting intrinsic value with market value, remarks in passing that "Locke may agree that things are valuable in some absolute sense in relation to how well they satisfy the needs and desires of human beings (an argument he also makes in the *Second Treatise*) . . ." (1980, 19). Vaughn is following Locke's own advice when she compares Locke's usage of 'intrinsic value' here to that in the *Second Treatise.* Locke is sometimes, and especially in these particulars, extremely terse in his explanations of his concepts—so much as to be misleading to those who do not consider carefully how he uses every word, or check his usage in one place against those that have gone before and will come after. We begin to wonder whether intrinsic value is *absolute*, however, when we note that Locke says that in addition to supplying "Necessities" and being necessary to "Being," "Intrinsick Natural worth" includes fitness to serve "Conveniencies" and to contribute to "Well-being." While we are in the habit of assuming that a human body has certain objectively discernible needs, we tend to think of conveniences as influenced, if not determined, by culture. *A great deal is immediately at stake here for the understanding of Locke's thought on money.* We have seen that Locke is ridiculed for nothing more than his insistence on the *intrinsic* value of money in the recoinage debates of 1695–6. Locke's position would seem less ridiculous if it could be shown that his use of 'intrinsic' has been misunderstood.

---

[1]The particulars will be presented here in italics. They are not italicized in the text. Words italicized in the particulars in the text will appear in roman type.

The similarity noted by Vaughn of 'Intrinsick Natural worth' to an expression in the *Second Treatise,* upon examination, only strengthens our misgivings about the purported obviousness of the intrinsic value of things.[2] In the fifth chapter, "*Of Property*," of the *Second Treatise,* in the course of his explanation of how "Men might come to have a *property* in several parts of that which God gave to Mankind in common, and that without any express Compact of all the Commoners" (§25, 286), Locke found it necessary to explain how the direct title to property by labor had been justly superseded. To this end he mentions that the invention of money had altered the *intrinsic value* of things:

> This is certain, That in the beginning, before the desire of having more than Men needed, had altered the intrinsick value of things, which depends only on their usefulness to the Life of Man; or had *agreed, that a little piece of yellow Metal,* which would keep without wasting or decay, should be worth a great piece of Flesh, or a whole heap of Corn; though Men had a Right to appropriate, by their Labour, each one to himself, as much of the things of Nature, as he could use: Yet this could not be much, nor to the Prejudice of others, where the same plenty was still left, to those who would use the same Industry. (*2T*, 37)

---

[2]Many interpreters have noted that Locke's terms ought to be compared in their usage in one text and another. On his use of 'property,' see Polin 196 , 164; Milam 1967, passim; cf. *Essay* II, xxii, 10. Locke recommends and does the same in his own reading St. Paul. A key word may be always used in precisely the same sense by St. Paul, despite the superficial incongruence of the topics at hand: "If we consider the various senses that translators and expositors have given to this terme δικαίωμα in the several places of St Paul's epistles where it occurs we shall have occasion to think, that the Apostle used this word with great latitude and variety of Signification: whereas I imagin that if we carefully read those passages, we shall find, that he used it every where in the same sense. i.e. for that rule which if complyd with justified or renderd perfect the person or thing it referd to" (*Paraphrase*, 501n.).

"He is little versed in St Paul's writeings who has not observed how apt he is to repeat the same word he had used before to the same purpose though in a different and sometimes a pretty hard construction"(*Paraphrase*, 228n.). See also 243n.

Locke also sometimes follows St. Paul in an almost opposite strategy of using different words for the same notion, cf. notes at *Paraphrase,* 113, 533. The reader is apparently thrown back on his own judgment to determine which procedure is being employed in any particular case.

In this different context we see more clearly that "intrinsick value" is not simply related to bodily needs; or if it is, then our bodily needs change with our desires, which appear in turn to be altered by our own or our mutual inventions, and so are not objective in the simple or independent sense that they are assumed to be. In any case, it appears that a change in desires, irrespective of its origin, produces a change in the *intrinsic* value of things—not only in their *market* value, as we expect.

Furthermore, we cannot help but notice that in this passage Locke has associated the most profound change in desires with the invention of money. He seems to imply that whereas before money labor was expended in proportion to the estimation of a thing's ability to directly sustain life, after the conventional establishment of money it may be expended in proportion to a thing's ability to bring a price, a quantity of money, and that this is somehow associated with the unleashing of excessive desires. Locke forces us to think about the relations of labor, desires and money from the very first number in this list of particulars.

Another of Locke's interpreters fittingly emphasizes that intrinsic value is *not* absolute, and looks rather to the *Essay*, than to the *Two Treatises*, to explain this:

> As Locke has frequently been misinterpreted on this issue, it is necessary to emphasize that 'natural intrinsic value' is in no sense conceived of as absolute or unchanging . . . The concept of intrinsic value derives from scholastic philosophy and denotes the inherent capacity of an object to perform certain functions, e.g. the 'intrinsic value' of bread is to assuage hunger. In terms of Locke's own epistemology 'intrinsic value' may be characterized as a 'passive power', a quality which enables one object to affect another, whereas exchange value is merely a 'secondary' or relative quality. But though 'natural intrinsic value', is for Locke a necessary condition of exchange value, it is by no means a sufficient one. Price or 'Marketable value' depends not simply on utility but on scarcity, or more precisely the supply of a commodity coming to 'be reduced into any proportion to its consumption'. . . . Exchange value, as Locke understands it, is therefore both a relational quality (the capacity of inducing purchase), and also a ratio, 'its quantity in proportion to its vent, for this alone regulates the price'. (Kelly 1991, 82–3)

If we follow Kelly, however, and do turn to the *Essay* for assistance in determining what

Locke means by "Intrinsick Natural worth," we are first led further into perplexity. Kelly, it seems, is correct to associate value with power, but it turns out to be difficult to see how the difference in Locke's epistemology between a 'passive power' and a 'secondary quality' could be related to the difference between intrinsic and market value. Locke describes 'power' as the idea which the mind comes by when it "considers in one thing the possibility of having any of its simple *Ideas* changed, and in another the possibility of making that change" (*Essay* II, xxi, 1, 233). The power to make any change is termed *active*, the power to receive a change, *passive*. Power is a relational idea; it "includes in it some kind of relation, (a relation to Action or Change,) as indeed which of our *Ideas*, of what kind soever, when attentively considered, does not?" (II, xxi, 3, 234) "We are abundantly furnished with the *Idea* of *passive Power*, by almost all sorts of sensible things. In most of them we cannot avoid observing their sensible Qualities, nay their very Substances to be in a continual flux: And therefore with reason we look on them as liable still to the same Change" (II, xxi, 4, 234–5). The *observation* of sensations gives us the idea of passive power. When we *presume* that those sensations have their causes in objects, we call those presumed proximate causes in those objects the secondary qualities of those things. A further presumption will posit the causes of secondary qualities themselves to be the primary qualities of the constitutive corpuscles: "Such *Qualities*, which in truth are nothing in the Objects themselves, but Powers to produce various Sensations in us by their *primary Qualities, i.e.* by the Bulk, Figure, Texture, and Motion of their insensible parts, as Colours, Sounds, Tasts, *etc.* These I call *secondary Qualities*" (I, viii, 10, 135).

However, Locke is not unclear in stating that we have no direct *knowledge* of either primary or secondary qualities. *Knowledge*, in Locke's usage, is "nothing but *the perception of the connexion and agreement, or disagreement and repugnancy of any of our Ideas*" (IV, I, 2, 525). Knowledge may be had "only of visible certain Truth" (IV, xx,

1, 706). The ideas of sensations that we perceive, and may have knowledge of, are called passive powers, and *only unscientific presumption* places their sources in objects. The distinction between passive powers and secondary qualities—i.e., whether qualities are presumed to inhere in objects—does not appear to help us in distinguishing 'Intrinsick Natural worth' from 'Marketable value,' as Kelly suggests.[3] This suspicion will be corroborated in the fourth particular when Locke uses 'intrinsic value' and 'quality' synonymously. More to the point of our present attempt to understand 'Intrinsick Natural worth' itself, is the fact that Locke never allows the *adequacy* of anything like independent objectivity, or an "inherent capacity of an object to perform certain functions."[4] Kelly only ambiguously attributes this understanding of 'inherent capacity' to Locke, but he does not distinguish how Locke's use of the term differs from it, so far as I can see.

An important purpose of Locke's *Essay*, perhaps even its "main drift and design," is to show the impossibility of knowing the 'objective' character of anything, insofar as objectivity necessarily contrasts with subjectivity. Gilbert Ryle, in his well-known address on the occasion of the tercentenary of Locke's birth, says that Locke came "within an inch of saying that . . . propositions which express 'scientifical knowledge' are hypothetical. *They do not directly describe real existences.* They say what properties *would* follow, if something had certain other properties, and not that anything has them" (Ryle 1932, 32). The conditional or hypothetical character of propositions stems from the insurmountable difficulty of specifying precisely what is the cause of any perceived

---

[3]"Nor are we to wonder, that *Powers make a great part of our complex* Ideas *of Substances*; since their secondary Qualities are those, which in most of them serve principally to distinguish Substances one from another, and commonly make a considerable part of the complex *Idea* of the several sorts of them. . . . All which secondary Qualities, as has been shewn, are nothing but bare Powers" (II, xxiii, 8, 300).

[4]Cf. II, xxxi, 3, 376–7.

sensation. Ryle goes on to add:

> But in Book IV especially he puts his finger on the real nerve of the difficulty, which is, of course, the nerve of the whole problem of induction . . . The general propositions of the physical and other inductive sciences rest on the evidence of regularly observed concomitances of properties; and these concomitances are not self-evident or necessary. So the conclusions of these sciences can never reach the certainty of mathematics, and in Locke's rigorous use of the term science, they cannot constitute scientific knowledge. They cannot rise higher than probability. (Ryle 1932, 35–6)

We cannot adequately make inductive inferences of cause, because we cannot see inside of things to know just what is there which does the acting to produce perceived effects. And even if we could somehow see the smallest parts of things, Locke tells us that we could not be certain of the necessity which holds them together:

> But our Minds not being able to discover any *connexion* betwixt these primary qualities of Bodies, and the sensations that are produced in us by them, we can never be able to establish certain and undoubted Rules, of the Consequence of *Co-existence* of any secondary Qualities, though we could discover the size, figure, or motion of those invisible Parts, which immediately produce them. (*Essay* IV, 3, 13, 545)

We do not have access to the internal constitutions of things and we cannot *know* what it is that inheres in them which exercises force on us. Kant may be presumed to have known what he was talking about when he said in the *Prolegomena to Any Future Metaphysics* that Locke anticipated, with his assertion of our ignorance of the co-existence of qualities in a subject, Kant's own recognition that asserting the reality of the conditions of experience required enigmatical *synthetic, a priori* judgments.[5] Natural science has been on the same footing ever since, though not all its practitioners have

---

[5]I would not be understood here to assert that Locke also asserted a priori synthetic judgments to solve the problem; only that he too saw the existence of the problem for which those judgments were Kant's solution. The presumed location of the solution in human judgment makes a great deal of the difference between Locke's and more extreme modern thought.

bothered to take note:[6]

> I deny not, but a Man accustomed to rational and regular Experiments shall be able to see farther into the Nature of Bodies, and guess righter at their yet unknown Properties, than one, that is a Stranger to them: But yet, as I have said, this is but Judgment and Opinion, not Knowledge and Certainty. This *way* of getting, and *improving our Knowledge in Substances only by Experience* and History, which is all that the weakness of our Faculties in this State of *Mediocrity*, which we are in in this World, can attain to, makes me suspect, that natural Philosophy is not capable of being made a Science. We are able, I imagine, to reach very little general Knowledge concerning the Species of Bodies, and their several Properties. Experiments and Historical Observations we may have, from which we may draw Advantages of Ease and Health, and thereby increase our stock of Conveniences for this Life: but beyond this, I fear our Talents reach not, nor are our Faculties, as I guess, able to advance. (*Essay* IV, xii, 10, 645)

The custom of classifying Locke as an 'empiricist' allows us too easily to forget that for Locke it is the *failure of reason* to see immediately into substantial things, such as we are wont to think of them, which drives him to 'empiricism' as a *non-scientific*, second-, or perhaps third-best position.[7] Empiricism is a response to the impossibility for us of

---

[6]The text of Kant's comment is fascinating it its juxtaposition of what I've remarked on in the text and the implications it has for interpretive method: "In Locke's *Essay*, however, I find an indication of my division. For in the fourth book (Chapter III, §9,seq.), having discussed the various connections of representations in judgments, and their sources, one of which he makes "identity or contradiction" (analytical judgments) and another the coexistence of ideas in a subject (synthetical judgments), he confesses (§10) that our (*a priori*) knowledge of the latter is very narrow and almost nothing at all. But in his remarks on this species of knowledge, there is so little of what is definite and reduced to rules that we cannot wonder if no one, not even Hume, was led to make investigations concerning this sort of proposition. For such general and yet definite principles are not easily learned from other men, who have had them only obscurely in their minds. One must hit on them first by one's own reflection; then one finds them elsewhere, where one could not possibly have found them at first because the authors themselves did not know that such an idea lay at the basis of their observations. Men who never think independently have nevertheless the acuteness to discover everything, after it has been once shown them, in what was said long since, though no one was ever able to see it there before" (Kant, 1950,19–20).

[7]In an age where the technical is worshiped as the truest science, it is difficult to see that for Locke the method of natural 'science' is *merely* technical. It is trial and error with errors showing blind alleys and successes, artfully systematized into *histories*, to

knowing the *inherent* qualities of things. It cannot reasonably be opposed to this that while we do not know how a substance acts on all bodies, we do know how it acts on people in general or ourselves in particular, and therefore that its 'intrinsic' qualities are also *effectively* 'inherent'. New discoveries and inventions are constantly occurring that change the intrinsic value of things for us. Locke would have us consider, for example:

> Of what Consequence the discovery of one natural Body, and its Properties may be to humane Life, the whole great Continent of *America* is a convincing instance: whose Ignorance in useful Arts, and want of the greatest part of the Conveniences of Life, in a Country that abounded with all sorts of natural Plenty, I think may be attributed to their Ignorance, of what was to be found in a very ordinary despicable Stone, I mean the Mineral of *Iron*. (*Essay*, IV, xii, 11, 646)[8]

All the words in our language which are intended to signify substances, signify *nothing* more than the agreed upon effects of an unknown, and unknowable cause. "We have no such *clear Idea* at all, and therefore signify nothing by the word *Substance*, but only an uncertain supposition of we know not what; (*i.e.* of something whereof we have no particular distinct positive) *Idea*, which we take to be the *substratum*, or support, of those *Ideas*, we do know" (I, iv, 18, 95).[9]

---

suggest directions in which to attempt new trials. The non-scientific status of *natural* history applied equally for him to *human* history. See *Essay* IV, xvi, 7–11, 662–5. Elevation of either natural or human history to the status of science would require knowledge of causation which requires in turn knowledge of the homogeneity of the most basic parts of things—their ability to act upon each other. For the enduring hypothetical character of both nature's regular working and corpuscularianism, see *Essay* III, x, 20, 501–2 and IV, iii, 16, 547–8 respectively.

[8]With its potential use *as money* in mind, one might consider putting silver in place of iron in this sentence, cf. *2T*, §§48–9, 301.

[9]Cf. e.g., *Essay* III, x, 20, 501, IV, iv, 17, 573, and IV, iii, 23, 554: "And we may be convinced that the *Ideas*, we can attain to by our Faculties, are very disproportionate to Things themselves, when a positive clear distinct one of Substance it self, which is the Foundation of all the rest, is concealed from us." It is Caffentzis's disregard for the importance of this point in Locke that makes the great weakness of his otherwise astute interpretation of his thought on money.

In Kelly's account Locke is presumed to claim that intrinsic value relies on simple cause and effect, from thing to person, whereas exchange or market value is a ratio of quantities of said causes and effects. As an analogy, this captures an important part of the relation between the two values, but not the complexity of each. If Kelly is correct, then Locke 'knows not what' he is talking about, and his use of *intrinsic value* is little more than a statement of faith that there is in fact a world 'out there.' If one follows Laslett in his attitude toward Locke, allowing him to be confused, this will not be the least bit troubling. If, on the other hand, we take the hard road of presuming consistency in Locke, we will have to take into account Locke's own understanding of the character of power and the *perception* of substance.[10] We must modify Kelly's relation by another order of complexity, in order to make Locke's reasonableness at least thinkable. This does not prove to be unimportant.

We cannot here undertake a satisfactory discussion of Locke on power. His entire discussion of motivation and freedom in the twenty-first chapter of the second book of the *Essay*, *Of Power*, would itself take us too far afield. What is more, critical premises in his argument will not be found in that place, but must be sought out in other places, other chapters. The following passage from chapter twenty-two, *Of Mixed Modes*, will have to suffice here to remind us that Locke is not dogmatic or forgetful in his attributions of power. Broadly speaking, attributing power to something is the act of a perceiver who *presumes* that the immediate idea has an efficient cause. That a thing has a power or property is an attribution made by a perceiving subject. We do not perceive that things have power *in themselves*, the perception is internal to us. The attribution of inherent power is sincere for the person concerned, and perhaps *in some sense*

---

[10]See e.g. Dewey (1926); Milam (1967); Ayers (1977).

inevitable,[11] but it is not beyond question. The careful person will be able to see that such attribution is forced upon us by our existential condition. Again, it is characteristic of Locke's technique that the following passage is not in the chapter on power:

> *Power* being the Source from whence all Action proceeds, the Substances wherein these Powers are, when they exert this Power into Act, are called *Causes*; and the Substances which thereupon are produced, or the simple *Ideas* which are introduced into any subject by the exerting of that Power, are called *Effects*. The *efficacy* whereby the new Substance or *Idea* is produced, is called, in the subject exerting that Power, *Action*; but in the subject, wherein any simple *Idea* is changed or produced, it is called *Passion*: Which efficacy however various, and the effects almost infinite; yet we can, I think, conceive it, in intellectual Agents, to be nothing else but Modes of Thinking, and Willing; in corporeal Agents, nothing else but Modifications of Motion. I say, I think we cannot conceive it to be any other but these two: For whatever sort of Action besides these, produces any effects, I confess my self to have no Notion, nor *Idea* of; and so it is quite remote from my Thoughts, Apprehensions, and Knowledge; and as much in the dark to me as five other Senses, or as the *Ideas* of Colours to a blind Man: And therefore *many words, which seem to express some Action,* signify nothing of the Action, or *Modus Operandi* at all, *but* barely *the effect,* with some circumstances of the Subject wrought on, or Cause operating; *v.g.* Creation, Annihilation, contain in them no *Idea* of the Action or Manner, whereby they are produced, but barely of the Cause, and the thing done. (*Essay* ii, xxiii, 11, 294)[12]

In short, we cannot call intrinsic value *objective* without keeping in mind that for Locke objects are the *objects of* perception. While it may be the case that "I may be cured of a

---

[11]"I think no body can, in earnest, be so sceptical, as to be uncertain of the Existence of those Things which he sees and feels. At least, he that can doubt so far, (whatever he may have with his own Thoughts) will never have any Controversie with me; since he can never be sure I say any thing contrary to his Opinion. As to my self, I think GOD has given me assurance enough of the Existence of Things without me: since by their different application, I can produce in my self both Pleasure and Pain, which is one great Concernment of my present state" (*Essay* IV, xi, 3, 631). The assurance lies in the realm of the passions. As to the precedent assurance of a self to experience these passions, it finds its strongest argument in the Cartesian cogito or *dubito,* cf. *Essay* IV, iii, 6, 543 and Chapter Five below.

[12]See also *Essay* II, xxi, 72, 285–6 where Locke uses the term 'passions' in place of 'passive powers', for what might commonly be termed 'actions', including *much* thought. For indications that *motion* is still more problematic than *thought* in this regard, see *Essay* II, xiv, 6–16, 183–7, where Locke discusses the composed character of motion.

disease by remedies that I distrust" (*Toleration*, 99), I cannot *truly state* that those remedies have a value, or power, as such. That Locke modifies "Intrinsick worth" with "Natural" here provides no evidence against its subjectivity, if one only allows that what is *called* nature is idiosyncratic; that the understanding of nature, though not necessarily *nature itself*, is private; and that people can only value things on the basis of their own understandings.[13] Changes in perception, which may be artificially induced, change 'nature' for us.[14]

Therefore, with some trepidation in the face of a nearly monolithic tradition of interpretation against me, I conclude the analysis of this first particular with the assertion that it would be safer to say that "intrinsic value" is rather *subjective* value than objective.[15] It is value *as perceived* by the individual at a given time. The problem with

---

[13]Cf. Simmel, 1978, (*passim*, e.g., 59–67) where a *rigor*ous subject-object distinction traps him into thinking in terms of parallel universes of value and nature.

[14]In *Questions* (f.13, p.103), Locke understands Aristotle, Nicomachean Ethics, V, 7, beginning, to be a "division of law [jus] into civil and natural, he says that 'this natural law is that law which has everywhere the same force,' from which it is rightly inferred that there exists some law of nature, since there exists some law, which obtains everywhere." Von Leyden, in his edition calls, this an error (112n.3), noting that Aristotle would be better read not to divide political justice into natural and conventional. Strauss (1959, 220) contrasts the apparent slip with what is, in his opinion, the certainty of Locke's understanding the passage exactly as had Averroes. Averroes (1562, 74) paraphrases the relevant passage as follows: "Iuris aut civilis, quiddam est naturale legale, & quidda[m] legale tantum, id est positivum. ius autem naturale est, cuius mensura est in omni loco & in omni tempore, & non cadit in ipsum commensuratio." See the discussion of the editors at *Questions*, 103–5. The oddity of the slip is that while seeming to more radically separate conventional from natural justice, it may also be seen to allow the possibility of the complete subsumption of convention into nature, rendering questionable any distinction at all.

[15]If one keeps in mind that Locke is writing with political intent, the superficial ambiguity of the term 'intrinsic,' may strengthen rather than contradict the hypothesis that Locke has chosen his words with great care. A glance at the proceedings in legislative congresses demonstrates that great care in word choice, and the choosing of ambiguous or even misleading words may reasonably coincide.

calling it 'subjective' is that specification of that term requires specification of 'objective,' which appears to be impossible. For Locke, then, it is not a simple matter to specify the source of changes in the intrinsic value of things—to draw a line between the effects of our changing desires and our changing judgments of the 'powers' of 'objects.' Only if one could specify clearly what is *not subjective* would this difference be specified as more than one of aspect. Perhaps it would be best to say that, for Locke, things present themselves to us not as *objects*, but as *pragmata.*

We ought to keep this in mind when, in *Some Considerations*, Locke concludes his introduction of intrinsic value in the first particular, with *"But yet,*

> *2. That there is no such Intrinsick Natural settled value in any Thing, as to make any assign'd quantity of it, constantly worth any assigned quantity of another.* (*SC*, 258)

If intrinsic value is private in the radical way suggested above, then Locke does not *only* mean that water is of more value to someone who is in a desert than to someone surrounded by plenty of it, fresh and clean—although this is part of what he means. He is also saying that the value of things depends on a person's *perception*, which may be altered by conventional knowledge. Even our status of being far from or near to good water may depend on the trust we have in our senses or others's reports. Moreover, our private desires change not only with changed 'external' circumstances, but also with changing estimates of the powers of things to satisfy our desires. Our very experience of the world depends on our 'knowledge.' The sharing of technical knowledge about how to use something in a new way changes its intrinsic value for potential users: "For suppose there should be taught a way (which should be published to the knowledge of every one) to make a Medicine of Wheat alone, that should infallibly Cure the *Stone*: 'Tis certain the discovery of this quality in that Grain, would give it an excellency very considerable . . ."

(*SC*, 256) This intrinsic value is new upon its *discovery*. Whatever the inherent qualities of the wheat may be, they have presumably not changed. As it stands, our changing desires are intimately connected with our changing estimates of the powers of things. The difference is only where the subject places the source of the new information—e.g., our desire for wheat may change because we learn of a power in wheat, or we learn that we are in need of a property that we already knew that wheat had.

From the traditional perspective, intrinsic value must appear to be irrelevant to economics, and especially to the kind of policy pamphlet which Locke's is presumed to be. Trusting this, perhaps, would help us to pass over its placement at the beginning of these particulars as a non-essential, last moment addition. In that case, it wouldn't matter much whether Locke only included an account of it here in a spirit of scientific thoroughness perverse to the practical context, or simply to show first the kind of value that we are *not* interested in. On the other hand, when we remember the profound practical relevance of the intrinsic value *of money*, we cannot allow ourselves this indifference. We might say that this consideration changes for us the intrinsic value of *intrinsic value*.

We have already noticed that the discovery of money is a critical value-altering, or power-transforming convention. Once money is around, for example, the market price itself may be taken into account by the individual in determining the subjective, intrinsic value of any thing. Intrinsic natural value changes, so to speak, according to the changing circumstances of our bodies, *and* according to the changing perspectives of our minds regarding both needs and conveniencies.[16] The complex *interplay* of intrinsic and market value is what the superficial independent-vs.-relational distinction glosses over. For

---

[16]McClure (1996) emphasizes the role of the invention of money in the "disordering of the criteria and conditions of natural judgment"(181). Money's invention "eliminates any fixed or stable measure of value by which such direct personal injuries as theft might equitable be redressed" (177). "Right and conveniency no longer go together" (180).

example, we are accustomed to considering how desire (or demand) effects market value (price), but we neglect to consider that the market price itself—the price for which something may be *resold*— may be taken into account by the individual in determining the subjective, intrinsic value of any thing. Intrinsic value is already relational.

Perhaps a little repetition would here be tolerable, in order to emphasize, before moving on, that the private character of our knowledge precludes, for Locke, any hard and fast distinction between what we today are wont to separate into moral and economic values. This is not to say that we cannot *make* a useful distinction, only that it cannot be specified exactly, in advance. As Kelly insists, Locke's economic 'notions' are 'mixed modes', which "may, or may not, correspond to real entities existing outside the mind" (Kelly 1991, 93). We see in chapter twenty-one of the *Essay*, 'Of Power,' that the power or value that any 'good' has for us depends on our judgment of its ability to bring us closer to happiness (II, xxi, passim, esp. §§42–3, 258–60, and §59, 273). Consideration of any thing, in is relation to our happiness, is the business of the part of Πρακτική (Praktiké) known as *'Ethicks.'* Ethics is "the seeking out those Rules, and Measures of humane Actions, which lead to Happiness, and the Means to practise them. The end of this is not bare Speculation, and the Knowledge of Truth; but Right, and a Conduct suitable to it" (*Essay* IV xxi, 3, 720). In a note entitled *Ethica* Locke makes more clear the relation between ethics and the claim which we have seen that actions are all "Modes of Thinking, and Willing:"

> Noething can attract a rational agent nor be a cause to it of action but good. that good is only pleasure or greater pleasure or the means to it. Pleasures are all of the minde none of the body, but some consist in motions of the body some in contemplations and satisfactions of the minde separate abstract and independent from any motions or affections of the body. And these later are both the greatest and more lasting. . . . The use I make of this is that even in voluptious men the minde without the body makes the greatest part of their happynesse or else the greatest part of their

lives they are destitute of happynesse.[17]

For Locke, the immediate presence of moral phenomena is one reason that the study of morality has a greater claim to the title of 'science' than the study of physical objects outside of us, which we so laud today, but which Locke refused the name 'science' (*Essay* IV, iii, 26, 556–7; IV, xii, 10–11, 645–6).[18] All of this is just to say that there is a good historical reason why we use a term derived from the Latin verb meaning 'to be strong' for both the value of goods, and good values.

As we turn from the intrinsic, or subjective value of things, toward what Locke elsewhere calls their "political or marchand value" (*Venditio*, 497), we ought to keep in mind the question of whether this different value has a different epistemological or scientific status.[19]

JUST TRADE

To the extent that someone is concerned with acquiring anything in trade, he must compare the intrinsic value of a thing to its "Marketable value," or price. If we have not already thought carefully about intrinsic value, then the following particular will seem to be the first to take up the relevant part of his considerations, although they will seem to be redundant in their context, apparently only repeating in a more systematic form, similar

---

[17]Once, when discussing the pleasure and pain, present and future, that make value for us, Locke remarks that "By Pleasure and Pain, I must be understood to mean of Body or Mind, as they are commonly distinguished; though in truth, they be only different Constitutions of the Mind, sometimes occasioned by disorder in the Body, sometimes by Thoughts of the Mind" (*Essay* II, xx, 2, 229).

[18]See p.6, n.2 above for references to the demonstrability of morality.

[19]Cf. Aristotle, *Nicomachean Ethics* 1134b29–1135a5.

statements made only a few pages before in *Some Considerations*.[20]

3. The Marketable value of any assign'd quantities of two or more Commodities, are pro hic ET nunc, *equal, when they will Exchange one for another. As supposing one Bushel of Wheat, two Bushels of Barley, Thirty pound of Lead, and one Ounce of Silver, will now in the Market be taken one for another, they are then of equal worth: And our Coin being that which Englishmen reckon by, an Englishman would say, that now one Bushel of Wheat, two Bushels of Barley, thirty Pound of Lead, and one Ounce of Silver, were equally worth five Shillings.* (*SC*, 258)

The foundation of marketable value, or price, first appears to be the instantaneous—*hic et nunc*—equality which makes any single trade possible. Any particular exchange must depend on the judgments of two *present* individuals, *here and now*. By mentioning the here and now, Locke alludes to these individual constituents of market value. He considers market value directly, however, only as an aggregate, in terms of sums of many trades, as is indicated here by the comparison of many commodities. Market value, or price, is the knowable effect; the individual trade is a presumed, but unknowable, cause, from the perspective taken here.

As constituted by individual *equalities*, market value would appear to entail the consideration of some kind of *justice*. Locke does not talk about justice directly here, as Aristotle and the Schoolmen had in considering political justice, 'reciprocal' or 'harmonical' justice, or 'just price.' Locke did, however, treat of 'just price,' in an unpublished paper entitled *Venditio* ("sale").[21] The question of just price concerns the actions of the seller. In asking how the individual seller ought to set his own price, Locke may be expected to discuss the interaction of market and intrinsic values.

---

[20]See *SC* 243–6.

[21]I use the edition in Kelly (1991, 496–500). The paper may also be found at the end of Dunn (1968). On the role of 'just price' in the medieval discourse on money, see Dempsey (1935); Stark (1956); for St Thomas's economic thought, Monroe (1945, ch. 3).

The conclusion reached in Locke's consideration is that the just price is the "market price at the place where he sels" (*Venditio,* 496). This being the case, it is at first surprising when he says that it is fine for a man to ask £40 for a horse which he had no intention to sell, and which would not yield above £20 at a neighboring market with many sellers, if he is pressed by someone to name his price. The market price does not seem to have any effect. Can the buyer then ask any price, at any time? It seems not. If the potential buyer declines to buy at the price set by the owner, but returns the next day in dire need of the horse, it would be unjust for the owner, knowing the other's predicament, to ask more than the same £40 he asked the day before. If, under those circumstances, he were to ask £50, "he oppresses him and is guilty of extorsion whereby he robs him of £10, because he does not sel the horse to him, as he would to an other, at his owne market rate which was £40 but makes use of [the other man's] necessity to extort £10 from him above what in his owne account was the just value the one man's money being as good as the others" (*Venditio*, 497).

While charity may require more of a seller, "strict justice," "only requiers that we should sel to all buyers at the market rate" (496).[22] The seller may justly ask any price that he judges his good to be worth—so long as the determination is made irrespective of the individual characteristics of the potential buyer. If the buyer judges the price to be too high and does not buy, then he must have judged that the individual seller's price had no relevance to the market price, which is the average of actual sales. While we may say that every trade takes place in a market, here and now, the individual trader is *free to judge* for himself what the relevant market is—'his owne market rate' may vary from what similar commodities sell for down the street.

We have seen in *Some Considerations* that a market is determined by location in

---

[22]We will return to a consideration of *charity* in Chapter Five.

space, it is *here*. But the size of 'here' may vary according to the trader's judgment. It may presumably include all the trading places of the world, if considered to be *present* alternatives at which to buy or sell. It is a place where numbers of sales may occur—be that number one or a million. A market is also determined by location in time. The market value of a product is what it is selling for *now*. Again, the time considered to be *present* must be susceptible to the judgment of any party to a transaction. If a person buys a product when, in three minutes, next door, he could get a practically identical one for less, but he judges that he cannot afford to spend his energy or time, then that other product is irrelevant to the market price, which this buyer is free to define more narrowly than another might have done.

Locke tells us in *Venditio* that it is fine to ask for more than the rate at the next market, the just price applies to one market only. If he asks more than the price offered for a similar good next door, he has judged that his own good is not a part of that market. If the buyer judges that the goods are similar, and that the two sellers make one market, he will buy the other good. If the seller wishes to sell in such a competitive situation, he must include in the consideration leading to his judgment the price asked by his competitors and so ask a competitive price. In effect, a person may justly ask any price at all, so long as he does not discriminate among buyers: "But what any one has he may value at what rate he will and transgresses not against justice if he sel it an any price provided he makes no distinction of Byers but parts with it as cheap to this as he would to any other Buyer" (*Venditio*, 498). Justice for Locke requires that no regard whatsoever be given to what we may call the 'accidental' characteristics of another person. Justice relies on a completely negative criterion. The only consideration of others required by justice is that they *not* be distinguished one from another.[23]

---

[23]One sees in this negative attitude what is post-Hobbesian, and pre-Hegelian in Locke. It is on the other, positive or constitutive part of his teaching that Locke differs in

Justice does not rule out windfall profits. Locke asks us to suppose a merchant sending two ships of grain to two ports twenty miles apart, one famine stricken, the other not. In this case, he says, it is just to ask four times as much in the famine stricken town, it being a different market, as long as all buyers there are offered the same price. If the rules of justice set a limit on profit, "there would be noe commerce in the world, and mankinde would be deprived of the supplie of foraign mutual conveniencys of life" (498):[24]

> The measure that is common to buyer and seller is just that if one should buy as cheap as he could in the market the other should sell as dear as he could there. every one runing his venture and takeing his chance. which by the mutual and perpetualy changeing wants of mony and commodities in buyer and seller comes to a pretty equal and fair account. (499)

It would *not* be just for the seller to ask four times as much from a citizen of the same famine stricken town, who was buying at a market in England, as he would from any other buyer at that place and time. The seller's rate for the grain, its intrinsic value measured in money, may well be different there and then, yet the seller still must not discriminate among buyers.

It would be negligent not to note that the equality that the justice of any individual trade is based upon is of a strange sort. To *either one* of the parties to a trade, the things traded are obviously unequal, or there would be no reason to prefer the good in the other's possession; there would be no reason to trade. The subjective situation of one party holds no direct proportion to that of the other. It is, we have seen, unknowable and unmeasurable. Is Locke so careless that he simply does not recognize this as a problem requiring consideration? Having committed ourselves to the most searching interpretation of which we are capable, we cannot begin with that presumption. Knowing

---

essential ways from both, as will be considered in Chapter Five.

[24]Cf. e.g. Strauss (1952, ch.4, esp. end); (1953, 213); (1959, 217).

that he was familiar with the text, we may therefore turn for assistance to Aristotle's account of justice in exchange, or reciprocity in terms of a proportion, in the fifth chapter of the fifth book of the *Nichomachean Ethics*. There Aristotle shows that the evident lack of proportion between the two parties to a trade may be overcome by considering the relation not of one party to another, or one good to another, but rather a relation of relations, or ratio of ratios: the relation of (one party's relation to the other's good) and (the other party's relation to the good of the first). This relation of relations may be known in a way adequate to the task at hand. He gives the example of two craftsmen and their products. The "diagonal" proportion which he mentions has been much debated, but what is important to us here is to see where the consideration of this proportion immediately leads.[25] "*If it were impossible* to establish reciprocity between them in this manner, a community or association between them would be impossible" (1132b32–1133a33, emphasis added).[26] If it is possible, then each party will have to estimate his relation to the other's commodity, *in terms of a common measure*. A 'common measure' means a unit—a unity or one—which each potential party to a trade can agree to use in counting the quantities he believes to be relevant to himself. The measure acts as an intersubjective medium, the content of which is filled by each subject, for himself. Since it is the *need* of each party for the commodity of the other which makes the exchange thinkable, Aristotle says that *need* itself may be presumed to stand for this common medium between them, making it possible to establish some proportion between them. A quantity of money represents externally a unit of need:

> Now, of course it is impossible that things differing so greatly from one another should in reality become commensurable. But it can be done

---

[25]Soudek (1952) is a helpful explication of justice in exchange. See also Lowry (1969).

[26]Cf. Hobbes *Leviathan*, part II, ch. 24, "M*ony the Bloud of a Common-wealth*" (1968, 300).

> adequately by relating them to need. Accordingly, there must be some unit, and it must be established by arbitrary usage—hence the name "currency." This unit makes everything commensurable, for everything is measured by money. Let *a* be a house, *b* ten minae, and *c* a bed. If the house is worth five minae, or equal to five minae, $a = b/2$; the bed *c* [if its value is one mina,] is $b/10$. It is, therefore, obvious how many beds are equal to one house, namely five. (1133b4–28)

Currency, or money, stands in for present or possible future needs. "If we need nothing at the moment, it guarantees that exchange will take place when the need arises. For when we bring money, it must be possible to get what we need" (1133b12). If someone has only grain and needs wine, and someone else has no wine, but needs grain, then no matter how much the second needs grain there is no possibility of association in exchange with the first. Unless he can offer him *money* for his grain which can later be used to purchase wine from someone who did not buy his grain. To anticipate Locke's terminology, by *pledging* an equal value in the future by *common consent*, money makes commerce more or less continuously possible. Or as Aristotle has it: "Now it is money which gives us a guarantee of future exchange" (1133b11). "Thus, money acts like a measure: it makes goods commensurable and equalizes them. For just as there is no community without exchange, there is no exchange without equality and no equality without commensurability" (1133b16–8). Considering them in their relation to need or money homogenizes goods. Money serves as a *common denominator*, a common genus, by which heterogeneous goods, 'apples and oranges' as it were, may be compared. It stands in, in the mind of each trader, for what is relevant in his own estimation of himself, his art, or his need, for the moment, in relation to the other's good.

Since needs or desires are for the absent or not-present, where guided by reason they must look to the future. Therefore, money calculations effectively draw the future into the present and must treat the 'stretch of time' that separates then and now as

homogeneous.[27] When we agree, in principle, because it seems useful to us, to accept money as a signifier of need or desire, we also are agreeing to treat desire *as if* it were a "simple mode"—self-identical, repeatable and countable, "so many distinct unities added together . . ." (*Essay* II, xii, 5, 165; cf. II, xx, 1, 229).[28] We are agreeing to a necessary condition for what we may term an *algebra of values.*[29] After Marx, we ought to be diligent to note that the concomitantly implied homogenization of time, and of a kind of being, is far from being dogmatically asserted as *objectively* true in this *algebra.* Money is an empty variable, which each *subject* fills according to his own willingness to carry out a *subjective* homogenization, on the basis of his own judgment of its utility. As we saw that intrinsic value was already relational, we see here that market value is still subjective. Each person relates to a common measure, but the measure is independently conceived. Both intrinsic and market value are 'subjective,' both 'relational.'

Trade is only possible where there is a common language or medium, by which to find a suitable measure, and a reason for trust. Historically speaking, if money does not *actually* exist at the moment of the very first mutually agreeable trade, then it has at least already been invented in its possibility and form. For the exchange of goods to take place on any considerable scale, it must be instituted in fact and content. For barter

---

[27]For the conventional homogenization of time see *Essay* II, xiv, 18–21, 187–90.

[28]One ought to keep in mind the *difference* between Spinoza's typical use of 'mode' as "the affections of substance; that is, that which is in something else and is conceived through something else" (1982, 31, *Ethics* Part I, Def. V), and Locke's more 'ideal' or 'verbal' "new signification" (Essay II, xii, 4, 165). Caffentzis apparently does not think that this difference is significant, cf. 1989, 215n.3.

[29]It is worth raising the question here whether Locke did not conceive of the *algebraic* commensuration of commodities through money to be part of a perfectly demonstrated system of morality, which we have seen that he often suggested to be possible. Cf. Kelly (1991, 93–4). It is Kelly's opinion that Locke "progressed far," but fell short of North, who anticipated Smith. Even Aristotle was forced to imply an algebraic equation in his discussion of market prices (1133b20–8).

exchange to occur, in addition to mutual desire for the other's good, some kind of common language is required, in order to arrive at an agreement which mutually satisfies needs. In situations where a barter economy is in fact strong, barter is still carried out *in terms of* something considered as money. When someone says that one chicken is worth ten pounds of broccoli, unless they are so 'mad' as to see them as in fact identical, they have carried out an implicit abstraction and commensuration, in terms of need. What is missing from this language of need is assurance—this is what is so problematic in barter economies.[30] A trusted money is like a common judge.[31] Trust that the giving up of one's own good will be reciprocated is requisite to exchange, and barter is only possible

---

[30]Cf. *FP*, 393–4; *FC*, 451–3: "The necessity of Trust and Bartering is one of the many inconveniencies springing from the want of Money" (451). Caffentzis notices that the inconvenience of barter recognized by Locke is not mentioned as a cause of money's invention (1989, 149).

[31]The fascinating story of Pedro Serrano in Garcilaso de la Vega's *History of Peru* (b.I, chs. 7–8), referred to by Locke at *2T*, §14, 276–7, provides an interesting partial analogy: ("The Promises and Bargains for Truck, &c, between the two Men in the Desert Island, mentioned by *Garcilaso de la Vega,* in his History of *Peru*, . . . are binding to them, though they are perfectly in a State of Nature, in reference to one another.") (cf. *1T*, §57, 182; *Essay* I, iii, 9, 71), Cox (1960) quotes an entry in Locke's journal and comments as follows: "'Pedro Serrano, that lived 3 years in a desolate island alone, and after that time another shipwrecked man came to him; and being but two they could not agree . . .' In other words, without the existence of a third party to whom one or the other of the two might turn for an ally, any agreement which might be reached is bound to be precarious" (96–7). Cox does not mention that at first the two simply turned away and fled from each other "and Pedro Serrano went off crying: 'Jesus! Jesus! Oh Lord, deliver me from the demon!' Hearing this, the other was reassured, and turned towards him saying: 'Flee me not, brother, for I am a Christian too,' and to prove it, as he still ran away, shouted the Credo, Pedro Serrano heard it, turned back, and they advanced with the greatest tenderness and many tears and groans, seeing that they were both in the same plight with no hope of escape" (Vega 1966, 29). It would seem that Jesus gave them a third in common. They lived together for years, with only one break of a few days. Whatever the *intangibility* of their third, or judge, which allowed them to split was much outweighed by the "folly" of living alone. Cox's view of the story may have been tainted by the presumption of the state of nature being an "original condition" in the historical sense. For Locke's admonition against such reading, see *2T* §§100–104, esp. p.336.

on the basis of some other basis for mutual trust, i.e., the functions of money are carried out by different things, but they must all be carried out.

In this third particular, while he does indicate the need to consider the constitutive individual trade, Locke does not do it himself, but immediately diverges toward the perspective of the individual facing market prices as already aggregated givens, which may be abstractly considered as equivalent alternatives, irrespective of individual needs, in terms of conventional measures of volume, weight, and monetary unit. What we may call the 'epistemological problem,' the problem of our lack of access to the "real constitution" of things, or to the minds of others, leaves us to rely on conventions for the determination of the relationship between inherent, subjective or intrinsic, and market or political value. If those conventions could be perfectly inculcated into the minds of individuals, then the epistemological problem (as well as the political problem) would be solved. However that may be, it is certain that neither Aristotle nor Locke mentions market value without bringing in money, and the *political* conventions of *names* for money.

In attempting to loosen up the terse language of Locke's introduction of market value, it is not impossible that we have gone beyond what Locke himself considered. But I remind the reader again that this effort is necessary in order to give the best possible interpretation to Locke's text. In this pursuit we are perhaps always thrown back upon our own best reason. As long as our analyses do indeed follow from his statements, then if there are logical flaws in his text, expanding his statements will only make inconsistencies all the more apparent as the rest of the text comes under consideration. In the next particular Locke begins his account of what it is that determines market value, in the aggregate.

4. The change of this Marketable value of any Commodity in respect of an other Commodity or in respect of a standing common Measure, is not the altering of any Intrinsick value or quality in the Commodity; (for musty and smutty corn will Sell dearer at one time than the clean and sweet at another) but the alteration of some proportion, which that Commodity bears to something else. (*SC*, 258)

In any individual trade which is legitimate by Locke's standard, the seller fixes his market price relative to the intrinsic value of the good; and the buyer approaches a price, or market value, as given, and compares that to the intrinsic value that the thing has for him, in proportion to his own stock of money. For example, if I need four things equally and have a hundred dollars total to spend on them, then the intrinsic value of each thing for me, measured in terms of my stock of money, is twenty-five dollars. If the price I find at the market is this or below, then I will buy. In any individual trade, considered as such, intrinsic value is of course relevant.

Again, however, Locke does not here consider market value in the individual case; he rather considers it a posteriori, as a given aggregate. As such it does not depend in any way on the unknowable value it has for other people. As a tally of past events, the market value or price that a person decides is fair is still subjectively judged and may be considered as wrong in relation to the 'objective facts;' but it is potentially accurate and is considered to be so by the person at the moment of judgment. In Locke's language, such a price is a mode whose real and nominal essences are the same.[32] A *change* in market value, we ought to note, also does not depend strictly on a proportion, it depends on the *alteration* of some proportion.

---

[32]See *Essay* III, iii, 18, 418–19. Cf. *Essay* II, xii, 4–7, 185–6; II, xiii, 1, 167; II, xxvii, 1, 349; II, xxvii, 3, 350; III, iii, 14–17, 416–18; IV, iii, 18, 548–50. Cherryholmes (1988, ch.6) shows that this problem of the 'indeterminateness of reference' (or, in Locke's terms, the impossibility of knowing the correlation between nominal and real essences, as well as between names and the ideas in the minds of different speakers) comes to light within the rational choice, 'econometric' paradigm of social science research as endless challenges to 'construct validity'.

For the potential party to a trade, who must consider a priori, market value is something we are aware of guessing at. The price of any particular object in any particular sale will depend on buyers' and sellers' *estimates* of the average of many other people's *estimates* of this relation—in addition to the *estimates* of suppliers in providing it: of the weather, of other markets, and limiting factors of production. Considered in this way, too, market value is quite other than something judged to be in the commodities themselves. Here however, unlike the aggregate, a posteriori consideration, it is not knowable.

What Locke would leave no doubt about here is that there is no direct and necessary relationship between any one individual's judgment of the intrinsic value of a thing, based on its immediate effects on him, and the laws of aggregation which determine the market price. The presumed plenty of alternative parties to market transactions obviates the relevance of any one person's needs or tastes. Neither the existence of a good quality in it, nor such a quality being increased or diminished, will change the price of a commodity, except as it changes the aggregate measures considered in the next particular. No matter anyone's preference, if "smutty" corn or rye is sold at one time, as much as "clean and sweet" another, then its price will not necessarily be less. (*SC*, 255–8) Improving its quality is as accidental to price as is adding a quality, by discovering a new use:

> Nor does the Adding an excellency to any Commodity, raise its Price, unless it increase its Consumption. For suppose there should be taught a way (which should be published to the knowledge of every one) to make a Medicine of Wheat alone, that should infallibly Cure the *Stone*: 'Tis certain the discovery of this quality in that Grain would give it an excellency very considerable: And yet this would not increase the Price of it one Farthing in Twenty Bushels, because its quantity or vent would not hereby, to any sensible degree, be alter'd. (*SC*, 256)[33]

---

[33]N.B. While "Intrinsick value" in #4 is written so that the careless reader will assimilate it to "or quality in the commodity," we must remember that these are secondary, or *perceived* qualities. Perceived qualities must be widely perceived to have

What matters in determining market value is not an 'absolute value' of goods, and it is not a relation to any individual, but some other proportion or relation. A few pages before the particulars, in his exposition of the well-known diamonds-water 'paradox,' Locke reminds us: "What more useful or necessary things are there to the Being or Well-being of Men, than Air and Water, and yet these have generally no Price at all, nor yield any Money . . ." (*SC*, 256). For a commodity to have market value, its good qualities must be perceived, they must be perceived broadly enough to increase their purchase, and that purchase must be in a potentially determinable proportion to the available quantity of the commodity.[34]

While no individual buyer's 'values' can determine the prices of things, it is indeed individuals who will estimate the relevant ratio, and judge when to buy or sell. These calculations are only possible if things can be directly compared across some dimension. Only the standing common measure makes this possible. However, beyond a passing mention, Locke's first discussions of this proportion do not make explicit the role of money, and will have to be adjusted when that role is more clear.

5. This proportion in all Commodities, whereof Money is one, is the proportion of their quantity to the vent. The Vent is nothing else, but the passing of Commodities from one owner to another in Exchange; and is then call'd quicker, when a greater quantity of any species of Commodity, is taken off from the Owners of it, in an equal space of time. (*SC*, 258–9)

In the fourth particular Locke told us that a change in the market value of a commodity depends on a change in the proportion "which that Commodity bears to something else." The proportion was between the commodity, and something which was not the

---

any possibility of affecting consumption.

[34]See Vaughn (1980, 29); cf. also 19, and more broadly 25–31.

commodity. Here, he rather compares "their quantity to the vent," both of which seem to be properties of the commodity. But why *their* quantity, and *the* vent? Is this archaic grammar, or another error bred of easy-going inconsistency? Is it possible that the vent is of something other than the commodity?

In considering this key relationship between *quantity* and *vent* we must be especially diligent not to give in to the temptation to assimilate this account to our habit of seeing economic relationships in terms of supply and demand.[35] We must persist in letting Locke be his own interpreter. As Locke says of the terms used by St. Paul and the other Apostles:

> We shall therefore in vain go about to interpret their Words by the Notions of our Philosophy, and the Doctrines of Men deliver'd in our Schools. This is to explain the Apostles meaning by what they never thought of whilst they were writing, which is not the way to find their Sense in what they deliver'd, but our own, and to take up from their Writings not what they left there for us, but what we bring along with us in our selves. He that would understand St. Paul right, must understand his Terms in the Sense he uses them . . . That is what we should aim at in reading him, *or any other Author*, and 'till we from his Words paint his very Ideas and Thoughts in our Minds, we do not understand him. (*Paraphrase*, 114–15 emphasis added)

This is difficult advice to follow concerning *quantity*, which is mentioned and never specified. Being in the habit of thinking in terms of supply, we are likely to assume that it is the quantity produced for sale and to think no more about it. The meaning of quantity, however, will depend on what vent is supposed to mean. *Vent* appears to be an amount or quantity, *passing* per equal space of time.[36] Or, the sum of the transactions in one period. Locke was immediately ridiculed for using the term vent, which was already 'old-fashioned' in 1692. John Law chastised him for not using *demand*, which was already current in some circles, and scholars ever since have agreed that he should have done

---

[35]Cf. e.g., Letwin 1964, 190.

[36]Time must as a matter of course here be vulgarly homogenized and "extended." Cf. *Essay* II, xiv, 21, 189–90; III, x, 20, 501–2.

more homework, by reading at least Petty with some more application. They commonly note Locke's divergence from a supply and demand account, and then often proceed to assimilate his account to exactly what they noted that it was not. A strength of Karen Iverson Vaughn's treatment is that she insists, against the tradition of such assimilation, that "it might instead be that the term *vent* was particularly appropriate for the kind of price theory Locke was developing" (Vaughn 1980, 20–1):

> Locke's own contemporaries Nicholas Barbon and Dudley North were both formulating relatively sophisticated supply-and-demand theories of price determination. In fact, John Law writing in 1704 considered Locke's account of price determination to be a step backward because he used the term *vent* instead of *demand*, which Law considered an analytically more useful term. Law's criticism was that whereas demand could be different from the number of sales in any given time period, vent was a term which meant disposing of goods by sale and must be identical to the number of transactions made. While Law acknowledged that Locke probably meant *demand*, the fact that Locke used the term *vent* at all suggested a relatively old-fashioned understanding of the determination of market price, even for 1690. (Vaughn 1980, 20)

Vaughn's diligence in not thinking in terms of supply and demand leads her to think of the proportion of quantity to vent as a stock/flow measure: *quantity* is the total quantity available, *vent* is a quantity flowing. That is, the ratio is a ratio of a static quantity to a moving quantity. In this, Vaughn understands Locke's approach as something of a return, conscious or not, from the 'demand analyses' of Petty and other of Locke's contemporaries, to the kind of account given by scholastic Aristotelians.[37] According to Vaughn, if I understand her correctly, Locke understood these 'determinants' of price as explanatory in the sense in which efficient causes may be so. As she says, regarding what she explains as Locke's entire theory, of which this is a key part, "His tool for explaining this system is a set of proportions which, although not adequate for the job he makes it

---

[37]In words apparently intended as derision, which Locke may well have welcomed, Max Beer declares that "John Locke's participation in economic discussions was as regards theory, a retrogression from Petty to Aristotle and the schoolmen . . ." (1938, 234).

do, nevertheless lends an aura of scientific precision to his work in that scientific age" (29). Quantity and vent are the loci of the efficacy which cause price changes.

But perhaps Vaughn does not sufficiently consider the force of Law's criticism of Locke's choice to use vent instead of demand. As she tells us, Law thought that vent had to equal the number of transactions made.[38] Vent cannot be the efficient *cause* of price changes. Nor can quantity. Changes in their proportion, indeed, are the 'determinants' of prices, but in the logical, not the physical, sense of that word. Locke's theory of prices, in its technical aspect, is altogether a posteriori. Vent is not a flow, or a quantity flowing, but a quantity which has already flowed or sold.[39] Calling vent a flow requires assuming that Locke disregarded his own defininition of knowledge from the *Essay.* This is difficult to justify within our chosen procedure.[40] If Locke's account of value can be held to the standard of knowledge in the *Essay*, then when he says here that vent is an amount "passing" which is "called quicker," he must mean an amount pass*ed*, which while *called* quicker, would be more accurately called greater or less. If Law is correct in this criticism, and wrong to assume that Locke meant something different from what he said, then Locke's account is not 'explanatory' in the way we modern social scientists may wish that it were.[41] Understood in this way, vent is not dynamic, but properly static and definitional. Whatever part of morals may be demonstrated must be precisely knowable

---

[38]See Law 1966, 5.

[39]For the 'subjective' character of motion, see *Essay* II, xiv, 6, 183.

[40]The character of Vaughn's account is related to her seeing Locke as a consistent "social scientist," see 1980, Chapter Five. She tries to understand the coherence of Locke's account on the basis of two objective quantities existing in relation to one another, independent of potentially 'mad,' political/conventional, perception.

[41]Bowley says that "This implies that vent would correspond only to quantity demanded at equilibrium prices, which would make Locke's analysis useless to explain price changes" (1963, 130). Cf. Hegeland 1969, 29.

in a way in which accounts based on efficient causes, or powers, to the extent that they operate from without, cannot be.

We must anticipate here Locke's bringing money into direct consideration, if we are to have even a minimally satisfactory understanding of this particular. The reader of *Some Considerations* is aided in this because Locke has already defined *quantity* and *vent* in terms of money a few pages before these particulars. He tells us that: "The Vent of any Commodity comes to be increased or decreased as a greater part of the Running Cash of the Nation is designed to be laid out by several People at the same time rather in that, than another, as we see in the change of Fashions" (*SC*, 244). It appears that the vent of a product is the proportion that total monetary sales of that product makes of total monetary sales of all products in the country. Dividing the total sales figure for a product, by the number of units of that product sold, will yield a unit price. This yields an a posteriori, static, perfect definition of price. It appears that Locke says 'the' vent, instead of 'their' vent, in this fifth particular because vent is a measure of money, not of the commodity directly.

Vent here is not demand, or desire.[42] We may allow ourselves to say with Locke that changes in vent depend upon what we may wish to call demand: "The Vent of any Thing depends upon its Necessity or Usefulness, as Convenience, or Opinion guided by Phansy or fashion shall determine" (*SC*, 244). The vent of a commodity "*depends* upon its Necessity or Usefulness;" it is not identical to it. It may depend upon other things in addition. Locke does not think it necessary to explain to businessmen that people will pay more for what they want more. He does not deign to teach the mechanics of figuring the 'best' monopoly price. *Vent*, insofar as it stands for a variable in an economic system,

---

[42]Kelly (1991, 80n.) points out that Locke does occasionally employ the word 'demand,' and that when he does he uses it to mean precisely what it does today. *SC*, 328: ". . . the real Use, or changing fashion of the place bringing either of them more into demand then formerly . . ." cf. Kelly 1991, 83–4; *FP*, 377–8; *FC*, 421.

is not a dynamic variable in an equilibrium system. Lockean economics is self-consciously *national* economics. His purpose in writing *Some Considerations*, the main drift and design of the book, is the welfare of the kingdom, a perspective inflected into every part of the text.[43] Locke does sometimes *seem* to use *vent* as synonymous with desire or demand—and why he does this, and confounds what is in itself so simple, must still be addressed—but as a variable in his *system* it is static and definitional, its aspect a posteriori.[44] In Locke's account of prices vent is simply equivalent to sale, as in the French, '*vente*.' More specifically, the vent of a commodity is the *monetary* sum of sales of that commodity, as a portion of total sales of the country, over some time period.[45] The proportion of vent to quantity, so simply defined, gives us exactly the average price. "This is *perfectly* the Value of Money in respect of Consumable Commodities" (*SC*, 246, emphasis added). The monetary quantity may be *changed* in the future by the effects of

---

[43]Cf. Robinson 1962, ch.6.

[44] One might be tempted to compare vent to 'effective demand.' Effective demand is defined by Keynes thus: "Furthermore, the *effective demand* is simply the aggregate income (or proceeds) which the entrepreneurs expect to receive, inclusive of the incomes which they will hand on to the other factors of production, from the amount of current employment which they decide to give" (1935, 55). This definition implies monetary terms. It has the merit of highlighting that, like all 'causal' economic variables, it lives in the expectations, in the minds, of economic actors. In short, it is the actual amount which is *believed* will be sold in an unfinished time period. However, this indicates why vent does not equal effective demand. Vent is effect*ed* demand, done, 'fact'—or considered as such.

[45]The interpreter who would try to understand Locke's account in terms of supply and demand must with Hugo Hegeland say that, "Locke is everything but consistent" (1969, 29). Hegeland tries to posit that the vent of money is its demand, but is constant, and (among other confusions spawned by this) finds himself disturbed that this vitiates the explanatory power of the account. "His conclusion, therefore,—irrespective of the confusion of the concept of the demand for money—is consistent with his idea that the exchange value of money is determined by the proportion of money to the amount of goods or trade, since his proposition of a "constant" demand for money implies that the amount of trade remains unchanged. Then, obviously, it is a truism to say that changes in the value of money must depend exclusively on variations in the supply of money" (29).

necessity or fashion on peoples' designs, but, in itself, it *is not* that necessity or those fashions. While it would not be meet to deny that *Some Considerations* contains much that is 'moralizing' in the sense of exhortation, if this analysis of Locke's usage of vent is correct, it also contains a much more strictly scientific account.[46] One can only here

---

[46]Considered in this way, Locke's account may be termed an explicit algebraicization of Aristotle's implied account of 'reciprocal justice,' averaging for various locales or markets. We have noted above that Aristotle already put price relations into algebraic form, but for some reason did not carry forward any implications of this. This consideration may help to make sense of the notoriously obscure passage where Aristotle says, at 1134b35–1135a3: "What is just as determined by agreement and advantage is like measures: measures for wine and for grain are not equal everywhere; they are larger where people buy and smaller where they sell." Since people must buy and sell in the same places at the same times, we are led to wonder whether he could be considering the same sale, from two points of view, each of which values differently a common measure. But this is not the place to embark on a consideration which would require an even more radical reconsideration of the history of political economy than the present one. For consideration of the classical versus modern attitudes toward numbers, cf. Klein (1968) and Lachterman (1989). Lachterman mostly follows Klein in differentiating between ancient and modern mathematics on the basis of whether "the requirement that the magnitudes having a ratio be 'of the same genus' is adhered to," ancients required it, moderns do not (33). In mathematical and physical studies, at least, moderns assume homo-*gen*-eity, *i.e.* that everything is at bottom made from homogeneous *atoms*, or *units*, or *corpuscles*.

If the present suggestion were correct, then this ancient/modern distinction would not be so simple. For the ancients, too, need may have both required and provided a common genus for the comparison of genera which were different from other points of view (cf.. *De Anima*, 432b5–10). And moderns, Locke at least, may have understood the limits of this practical homogenization as well as did Aristotle. (cf. e.g. *Essay* IV, iii, 16, 547, on the practical character of the corpuscularian *hypothesis*, and comments above about the scientific status of natural philosophy.) If so, the primary difference between Locke and Aristotle would be rhetorical—i.e., due either to different development of the imaginative faculty, or to their estimates of the character and circumstances of their audience. One should not forget that Locke is a post-Cartesian, post-Hobbesian, and as is relevant here, post-Pettyan, etc., important bridges had been crossed and burned from Aristotle's situation. Cf. also Leo Strauss, *On Tyranny*, 1991, 178: "Both possibilities—the possibility of a science that issues in the "conquest of nature" which is made possible by modern science, and the possibility of the popularization of philosophy or science—were known to the classics. (Compare Xenophon, *Memorabilia* I 1.15 with Empedocles, fr.111; Plato, Theaetetus 180c7–d5.) But the classics rejected them as "unnatural," i.e., as destructive of humanity." The Plato comparison brings in most

wonder whether his other books might be considered in the same way.

Before going on we ought to note that vent defined as it is, in terms of money, opens the question of the meaning of vent *of money.* If money measures vent, how can vent measure money? Direct consideration of this question must await its proper place.

6. This Vent is regulated, i.e. made quicker or slower, as greater or less quantities of any Saleable Commodity are remov'd out of the way, and course of Trade; separated from publick Commerce; and no longer lie within the reach of Exchange. For though any Commodity should shift Hands never so fast, and be Exchanged from one Man to another; yet if they were not thereby exempted from Trade and Sale and did not cease to be any longer Traffick, this would not at all make, or quicken their Vent. But this seldom or never happening, makes very little or no alteration. (*SC*, 259)

Particulars six and seven were combined in Locke's early writings, and so they ought to be considered. I follow Locke in separating them here because it makes it convenient to highlight a specific point which arises in six, while leaving the general consideration of six and seven together until seven is introduced.[47]

Just when we believe that we understand the static, definitional sense of *vent* which must be his primary meaning, Locke's wording here in particular six forces us to reconsider. As we did with *intrinsic value*, we will assume that Locke was aware of this ambiguity, which will reach its peak in particular eleven. The source of the problem is the inclusion in number six of the word "make." Locke does not *only* say that not exempting the good from trade would not quicken its vent, he says first that it would not *make* it. This could be taken to imply the stark contradiction that a thing might sell, vent, a great deal in any time period, yet if it is the same good recirculating, its vent is not at all

---

explicitly the question of rhetoric. Cf. Locke's implication regarding ancient method at IV, xvii, 11, 682.

[47]We might note that one effect of separating what was six, into six and seven, and what was eight, into nine and ten, is to change what is the center of the particulars.

made, or it has no vent. That is, if a product changes hands without ever being consumed, it may have a great vent and no vent? Is this simply unintelligible? Is the inclusion of "make" just another of Locke's careless slips? Or is Locke subtly persisting in suggesting that vent is in fact a dynamic/causal measure like demand? If vent were the measure of the desire for the consumption of something, then the fact of no, or negligible, consumption might mean that it was not demanded, except that things are sometimes demanded which are not consumed.

Locke only *seems* to be using vent like demand. Vent *depends on* people's demand or designs for it, it *is not* itself that demand.[48] If we invoke a distinction between considerations within one time period, and between two or more, then Locke could be saying that the vent of a kind of good in any time period *depends on* the removal of the good of that kind which was consumed in the previous time period, from "the way, and course of Trade," as we will see in the next particular. For most goods, consumption in one time period *makes* sale in the next. By putting the word *vent* into statements which subtly compare sales, from one time period to another, while reserving its technical meaning for sales within a time period, Locke leads the careless reader to assimilate this account to the kind of dynamic, 'demand analyses' that writers like Petty, Barbon and North were putting forth. The careful reader must keep a close eye on the context into which Locke deploys this term. In dealing with *changes* in vent—how vent in one period is made by the events of the period before—we must keep in mind that whether a great or small amount is traded is irrelevant. What counts is *how* trade in one period affects trade in the next. And so, no matter what quantity of a thing was exchanged in the previous time period, if that quantity is not removed from trade, if it simply recirculates, then the

---

[48] We may presume that the psychological variable *demand,* as it is used today, also depends on fashion, but the rules of the science in which it is deployed forbid questioning the nature of this dependence as irrelevant, even unscientific.

vent of that kind of thing does not 'quicken.' We will assume that Locke knew this and chose not to state it clearly.

7. *Things are removed out of the Market or Hands of Commerce, and so their Vent altered three ways; 1. By Consumption, when the Commodity in its Use is destroy'd, as Meat, Drink, and Cloths, ETc. all that is so consumed is quite gone out of the Trade of the World. 2. By Exportation; and all that is so carried away, is gone out of the Trade of* England, *and concerns Englishmen no more in the price of their Commodities among themselves for their own use, than if it were out of the World. 3. By buying and laying up for a Man's private Use. For what is by any of these ways shut out of the Market, and no longer moveable by the Hand of Commerce, makes no longer any part of Merchantable Ware, and so in respect of Trade, and the quantity of any Commodity, is not more considerable than if it were not in being. All these three terminating at last in Consumption of all Commodities, (excepting only Jewels and Plate, and some few others which wear out but insensibly) may properly enough pass under that Name. Ingrossing too has some influence on the present Vent: But this inclosing some considerable part of any Commodity, (for if the ingrossing be of all the Commodity, and it be of general Use, the price is at the will of the Ingrosser) out of the free common of Trade only for some time, and afterwards returning again to Sale, makes not usually so sensible and general an alteration in the Vent as the others do: But yet influences the price, and the Vent more, according as it extends its self to a larger portion of the Commodity, and Hoards it up longer.* (*SC*, 259–60)

The three primary categories of consumption are destruction, exportation and hoarding, with 'ingrossing' apparently being hoarding with the specific intention to affect price and profit. For most commodities, all three end in destruction, since exported and hoarded things are also used up in some way. The more that is destroyed in one time period, the more will sell or vent in the next. We might notice that this presumes that the demand for the good—its "Necessity or Usefulness, as Convenience, or Opinion guided by Phansy or fashion"—remains unchanged. This assumption is evidence of the importance of the inertial force of habit and repetition in determining *demand.*

Destruction is consumption in its most ordinary sense. These things are "gone out of the Trade of the World." Locke here simply avers that greater consumption of something in one time period will increase its vent in the next. We have already noticed, however, that a *ceteris paribus* assumption is made concerning what we might call

demand. The relation also presumes that there are no obstacles to greater production of the good in question. It is interesting to note that the most explicit of the 'classical' economists, Ricardo, limits the range of his science to "such commodities only as can be increased in quantity by the exertion of human industry, and on the production of which competition operates without restraint" (1951, 12). While noting that "[t]here are some commodities, the value of which is determined by their scarcity alone . . .," including "[s]ome rare statues and pictures, scarce books and coins, wines of a peculiar quality . . .," Ricardo places much greater emphasis on the fact that "[b]y far the greatest part of those goods which are the objects of desire, are procured by labour; and they may be multiplied, not in one country alone, but in many, almost without any assignable limit, if we are disposed to bestow the labour necessary to obtain them" (1951, 12). Only for such commodities is the classical dogma that 'supply creates its own demand' tolerably true in practice. Ricardo even repeats this exception when he states the well known labor theory of value, which is the grounding principle of classical, 'supply-side,' economics: "That [the quantity of labor necessary for acquiring them] is really the foundation of the exchangeable value of all things, *excepting those which cannot be increased by human industry*, is a doctrine of the utmost importance in political economy;" (13, emphasis added). It was this labor theory of value that allowed the birth of 'scientific economics.' One might say that the evolution of 'economics' from 'political economy' was at the expense of consideration of the most truly 'scarce' goods. If we are going to assume that Locke's is a complete account, then we must ask in what way he has *not* disregarded the importance of essentially scarce goods, in the manner of Ricardo's classical school.

In a discussion of the prices of things preceding the particulars, Locke has noticed that the monetary value of consumable commodities also depends on whether they are "necessities" or "conveniences." "There is nothing more confirmed by daily Experience," he says, "than that Men give any Portion of Money for whatsoever is absolutely

necessary, rather than go without it" (*SC*, 244). It was a practical truth of Locke's world that most people, laborers, gave their entire earnings for meager food, clothing and shelter. If there were one food that alone was absolutely necessary, people would give all they had for it; and "in such things, the Scarcity of them alone makes their Prices" (*SC*, 244). Locke illustrates this by momentarily assuming wheat to be the only food which could satisfy such an absolute necessity. However, he goes on to show, by using wheat again as an example for "conveniencies," that there are other commodities which can substitute for wheat. ". . . Things *convenient*" will not "be had at any Rate," but rather "will be had only as they stand in preference with other Conveniencies:"

> For supposing that at the same time that there is a great scarcity of *Wheat*, and other Grain, there were a considerable quantity of *Oats*, Men no question would give far more for Wheat than Oats, as being the healthier, pleasanter, and more convenient Food: But since Oats would serve to supply that absolute necessity of sustaining Life, Men would not rob themselves of all other Conveniencies of Life, by paying all their Money for Wheat, when Oats, that are cheaper, though with some inconvenience, would supply that defect. (*SC*, 245)[49]

It would seem that *sorts* of food, as opposed to food in general, are largely exempted from the status of "necessities." Demand for even them is highly subject to "Opinion guided by Phansy or fashion." Indeed, Locke would say that *almost* nothing on Ricardo's list of things valued only by their scarcity, is exempt from the determination of fashion. Ricardo, amazingly, fails to mention land in this place, and leaves ambiguous whether the *coin* he mentions is only that in which collectors of antiquities are interested.[50]

---

[49]Petty (1899, 1:90) had already developed the idea of 'substitute goods.' Cf. Vaughn 1980, 143.

[50]Ricardo considers the scarcity of land in determining rents only as a threshold factor. Once a minimum scarcity is reached, once unappropriated land is not readily available, differences in rent are only due to differing productive powers inherent in the land. He disregards the continuing effects of scarcity and distribution in determining rent (1951, 69–70). Beginning with the assumption that all studiable value comes from labor, and the concomitant one that supply may respond to demand unhindered, he is blinded to a scientific consideration of those things which are *essentially* scarce, such as land. This

The second sort of consumption is exportation, which is consumption only from a political, or national perspective. Assuming again no limits on production, or change in demand (here foreign demand), the more exported for consumption in this time period, the more produced and exported in the next. Land, of course, is not relevant to exportation, since it cannot "be brought in, or carried out of the Kingdom" (248). Money and treasure ("Jewels and Plate") may be exported, but are hardly consumed, whether exported or not, a fact to which Locke alerts us without explicating further.

Why does he say that an exported good is "gone out of the Trade of *England*, and concerns *Englishmen* no more in the price of their Commodities among themselves for their own use, than if it were out of the World"? Does he mean simply that these goods are as if destroyed when they leave English shores? This would seem to be what Locke would have most readers believe. Ending his sentence with "out of this world," he seems to be simply assimilating exportation to consumption as destruction. But if this is so, then why is the effect mentioned "in the price?" If greater consumption means greater vent and a higher price, then why isn't such exportation as relevant as any other consumption? Unless we abdicate again to the hypothesis that Locke is satisfied with "easy-going inconsistency," we must assume that this apparent inconsistency is studied. If we take the sentence on its own terms, without assuming that we know what Locke 'meant to say,' we are led into an interesting consideration. This contradiction, that exportation is consumption, which should increase vent and thereby price, but is instead mentioned as not concerning Englishmen regarding price, raises the possibility that Locke

---

also blinds Ricardo to the difference between silver plate as treasure, and as money. Ricardo forces himself into assuming the material reality of money. His prior carelessness blinded him to the recognition that money is only money insofar as it is circulating—that money *is* as money *does*. Assuming the independent *objectivity* of money allows him to take it for granted—to treat it as a neutral medium. Locke will show us the scientific necessity of remembering that all that glitters, though it be gold, may not be money.

may simply mean that exportation of commodities is irrelevant to those factors which determine domestic prices in the a posteriori, definitional sense. Exported goods do not figure in the static, a posteriori definition of prices which Locke has given—which is determined by the ratio of that product's *domestic* monetary sales, to the total monetary sales of all products in the *country*, for a time period, divided by the number of units of that product.[51] By this account, exported commodities are *as if* out of the world not because they are destroyed, which may or may not be the case, but because they do not figure in the domestic price level. But this too is problematic. While the exportation of perishable commodities may move them out of the Englishman's concern for English prices, it also will mean bringing into the country the money which is exchanged for them, which money is not perishable. And so, while foreign vent may not effect domestic vent *of that commodity* in the next time period, it would have an effect in that following period which would be relevant to prices. Two things may be said in response to this. First, Locke's primary concern here is with changes in the sale of a commodity, to which the importation of money is not *directly* relevant. Secondly, the money entering the country will only affect prices if it is circulated in commerce. If it is hoarded it is irrelevant. Locke has indicated in both particulars six and seven that commodities which are not destroyed after their exchange are exceptions to these rules of vent. Money, like plate, gems, or other 'treasure,' is such a commodity. Indeed, while hoarded it *is*, in effect, 'treasure,' and is not the 'money' which is relevant to the determination of prices.[52] This brings us to hoarding.

The third kind of consumption is hoarding. Only durable goods may reasonably

---

[51]Cf. *SC*, 244, 262, particular fourteen.

[52]Cf. Hume 1970, 46.

be hoarded. Hoarding highly perishable commodities is unreasonable, if not impossible.[53] Hoarding is an activity motivated by the desire for security in the future, and only goods which endure can be expected to satisfy that desire. When a person has a commodity laid up, it is as "if it were out of the World," as far as a posteriori market price determination is concerned. The hand of commerce cannot touch it. The 'ingrossing' which fills the final third of this particular is also a kind of hoarding. Engrossing a commodity which is "of general Use" affects its sale in proportion to the portion of the commodity engrossed, and the time it is held. If it is sufficiently necessary, and controlled all by one person, "the price is at the will of the Ingrosser" In more modern terms, the monopolist has *market power*. This is not, for Locke, unjust per se, so long as it does not discriminate among buyers. Like all power for Locke, the monopolist's power lies in the minds of those who perceive and allow it. As long as they are free to change their minds and value that commodity less, they may remove that much power from the monopolist. Engrossing may be uncharitable, and lack of charity may, when it endangers life, require government intervention, but that exceeds the strict question of justice, and is a matter for later consideration.

In addition to being scarce, like all hoardable goods, the engrossable good must also be of general use, which means that it may not be easily substituted for by another good. This also is an aspect of practical scarcity. Engrossing even all of a commodity will not be effective, if there is another practically similar good in abundant supply. We have seen that there are not many goods which are of *perfectly* general use. Even if the most general food in England, wheat, were held all by one supplier, he would not be able to ask *any* price: "Men would not rob themselves of all other Conveniencies of Life" to have wheat instead of oats (*SC*, 245). Engrossing for an indefinite time may lead to the

---

[53]Cf. *2T*, §§46–50, 299–302.

loss of the habitual preference.[54] This does not mean that effective, though imperfect, monopolies are impossible. It means only that the monopolist would have to be careful to push the price up just so far as the *fashionable* preference would allow, and would have to release goods soon enough to prevent the effective development of competition. It is within these margins that many a monopolist has amassed a fortune.

Since Marx, the question of engrossing, or acquiring and exercising market power, inevitably raises the question of class exploitation. Macpherson opened a large debate when he first highlighted Locke's insensitivity to the plight of the laborer, who Locke says lives "generally from hand to mouth" (*SC*, 236).[55] It must be admitted that Locke is not so sensitive to laborers that he cannot lament that, in the present state of insufficient money in proportion to "Corn," the laborer will be paid in grain, which he "will have at his own Rate, or else not take it off [the farmer's] Hands for Wages." Laborers' manipulation of market power is neither less, nor more, uncharitable than anyone else's. He also discusses manufacturing labor:

> And as for the Workmen, who are employed in our Manufactures, especially the Woolen one, these the Clothier, not having ready Money to pay, furnishes with the necessaries of Life, and so trucks Commodities for Work, which, such as they are, good or bad, the Workman must take at his Master's Rate, or sit still and starve: Whil'st by this means, this new sort of Ingrossers or Forestallers, having the feeding and supplying this numerous Body of Workmen out of their Warehouses, (for they have now Magazines of all sorts of Wares) set the Price upon the poor Landholder. So that the Markets now being destroyed, and the Farmer not finding vent there for his Butter, Cheese, Bacon, and Corn *Etc.* for which he was wont to bring home ready Money, must sell it to these Ingrossers, on their own Terms of Time and Rate; and allow it to their own Day-Labourers under the true Market-price. What kind of Influence this is like to have upon Land, and how this way Rents are like to be paid at Quarter-day, is easie to

---

[54]On the importance of custom or habit in Locke's thought, see, e.g., *STCE*, #38, cf 1,2,5,7,10,14,32–34,36–40, 180,181. *Essay* II, ix, 10 and II, xxii, 10; II, xxxiii, entire, esp.6–8. *Conduct*, #s 4, 6 and 28. Custom will be a theme of Chapter Five.

[55]Cf. Macpherson 1960, 222–9; Dunn 1969, 233–7; Tully 1980, 135–44; Vaughn 1980, 100–107; Wood 1984, 85–92. cf. also *SC*, 290–1.

aprehend. (*SC*, 237)[56]

That Locke makes his case here in terms of the interests of the landed class is beyond question. That he is quite serious about it in those terms I will argue at length below. However, it is also beyond question that he opposed monopolies on principles of justice which are *indifferent* to this class distinction, and that *in this case* they worked to the good of the laborers.

It would be remiss not to take note, before moving on, of Locke's use of the word "inclosing" as a synonym for 'ingrossing', in particular number seven. The reader familiar with the famous chapter *On Property*, in the *Second Treatise*, cannot help but be reminded of Locke's use of that term regarding property in land.[57] This may serve to remind us that it is precisely the hoardability of goods that Locke there associates with the original convention of money.[58] The possibility of hoarding a good depends only on its durability. Land is perhaps the most durable material good, and its supply is most clearly fixed. Yet it was not enclosed until money was invented.[59] With apparently endless alternatives available, no particular place was viewed as a necessity. The invention of money seems tied in a train of consequences to the genesis of civil society,[60] whose end, according to Locke, is to *secure* individuals' property. It is as if people before that

---

[56]For a phrase with interesting consonance to "sit still and starve," see *Essay* IV, xiv, 1, 652). Cf. also the character of natural consent to inequality at *2T*, 50, 301–2.

[57]2T: 32,33,35,37,38,48.

[58]*2T*, §§46–7.

[59]Strictly speaking, we should say only that if it were enclosed in some physical sense, the enclosure was meaningless in determining property. *2T*, §38: "But if either the Grass of his Inclosure rotted on the Ground, or the Fruit of his planting perished without gathering, and laying up, this part of the Earth, notwithstanding his Inclosure, was still to be looked on as Waste, and might be the Possession of any other."

[60]*2T*, §§38, 45.

convention were not concerned for their future security, but once a scarce, durable and portable good was discovered, or recognized, the necessity of locating natural executive power in governments was born.

Money, like land, is a durable, scarce good, of general use. The money *metal* is as durable as land; it is what is most durable in land. Within a civil society, money is also of almost perfectly general use, it "answers all things" (*SC*, 261; *FC*, 410; Eccles. 10:19), and its quantity is much less than land, and *relatively* fixed worldwide by the difficulty of mining. In addition, money is infinitely more portable, or *communicable*, than land. In other words, money, in comparison with land, is as little consumable in destruction, as or more consumable in hoarding or engrossing, and much more consumable in exportation. Without yet discussing it directly, in these two particulars Locke has provided us with a complete negative outline of the most salient characteristics of money. With particular eight, money moves to center stage.

Chapter Three

MONEY'S DUAL VALUE

> *To examine the perfection, or imperfection of Words, it is necessary first to consider their use and end: for as they are more or less fitted to attain that, so are they more or less perfect. We have, in the former part of this Discourse, often, upon occasion, mentioned* a double use of Words.
> First, *One for the recording of our own Thoughts.*
> Secondly, *The other for the communicating of our Thoughts to others.*
> Essay III, ix, 1

We have seen in particular five that money's value as a commodity is in some way like all others. Yet its difference from other commodities has also been hinted at. With particular eight we come to the place in this account of the relations between interest rates and other prices where Locke helps us to consider just how money differs from other commodities.

> *8. Most other portable Commodities (excepting Jewels, Plate,* ETc.*) decaying quickly in their Use, but Money being less consumed or increased, i.e. by slower Degrees removed from, or brought into the free Commerce of any Country, than the greatest part of other Merchandize; and so the proportion between its quantity and Vent, altering slower than in most other Commodities, it is commonly look'd on as a standing measure to judge of the value of all Things, especially being adapted to it by its Weight and Denomination in Coinage.* (*SC*, 260)

We have seen that Locke has been ridiculed and condemned for insisting that money has an *intrinsic* value. To determine whether there is any merit to the claim of his consistency, we must follow him closely in this account of money's intrinsic value. Since he says that this value comes from its acceptance as a common measure, we must ask *how*

and *why* money is taken to be the common measure of the value of things.

From the individual's perspective, for most things, the relationship between market value and intrinsic value is accidental. We are free to choose to value a good differently from the way the market does. This cannot be said of money, *as such.* Locke's most succinct statement on intrinsic value comes in *Further Considerations*:

> The *intrinsick value* of Silver consider'd as Money, is that estimate which common consent has placed on it, whereby it is made Equivalent to all other things, and consequently is the universal Barter or Exchange which Men give and receive for other things they would purchase or part with for a valuable consideration: And thus as the Wise Man tells us, *Money answers all things*. (*FC*, 410)

The money commodity differs from other commodities in that "it serves us commonly by its Exchange, never almost by its Consumption" (*SC*, 248). Its intrinsic value, as money, is *necessarily* connected to its market value. Its market value is nothing other than the ongoing aspect of the "common consent" which *makes* and *is* its intrinsic value; every exchange is a new consent. It serves as a measure because it is "commonly look'd on as a standing measure." In order to be consented to, the money commodity, whether gold, silver, or paper, must be *seen as* being sufficiently durable and scarce—or, as he puts it in the negative here, "less consumed or increased." It can only promise future exchanges if it is durable—lasting over time—or is taken as such. It can only hold its value, function as a pledge, if its quantity remains nearly fixed in relation to trade. These characteristics which allow it to be consented to in exchange as equivalent to other things, are characteristics of its quantity, which then becomes its intrinsic value, and so makes it of general use:

> For Mankind, having consented to put an imaginary Value upon Gold and Silver by reason of their Durableness, Scarcity, and not being very liable to be Counterfeited, have made them by general consent the common Pledges, whereby Men are assured, in Exchange for them to receive equally valuable things to those they parted with for any *quantity* of these Metals. By which means it comes to pass, that the intrinsick Value regarded in these Metals made the common Barter, is nothing but the *quantity* which Men give or receive of them. For they having as Money no

> other Value, but as Pledges to procure what one wants or desires; and they procuring what we want or desire only by their *quantity*, 'tis evident, that the intrinsick Value of Silver and Gold used in Commerce is nothing but their *quantity*. (*SC*, 233–4)

The *intrinsic* value of a money commodity is "tacitly" (*2T,* 50) agreed upon because of certain universally perceived properties, or "passive powers," which are considered to be the secondary qualities of that commodity. Locke mentions above their "Durableness, Scarcity, and not being very liable to be Counterfeited,"[1] but scatters others here and there; it must be divisible into small enough parts to allow everyone to possess some (*SC*, 264); readily exchangeable or portable (*SC*, 246,248) ; and perhaps most important, it must be homogeneous: "If one grain of Silver has an intrinsick value in it, two grains of Silver have double that intrinsick value, and three grains treble, and so on proportionably" (*FC* 410–11). "Hence it is evident, that an equal ***quantity*** of Silver is always of equal value to an equal ***quantity*** of Silver" (*FC*, 411). Mankind has agreed to make silver the "universal Barter" because it is perceived to be identifiable with number, by its quantity. Because silver is acceptably homogeneous it may measure like *number*, which "the Mind makes use of in *measuring all things*, that by us are measurable"(*Essay* II ,xvi, 8, 209). "*The simple modes of Number are of all other the most distinct;* every the least Variation, which is an unite, making each Combination, as clearly different from that, which approacheth nearest to it, as the most remote; two being as distinct from one, as Two hundred; and the *Idea* of Two, as distinct from the *Idea* of Three, as the Magnitude of the whole Earth, is from that of a Mite" (*Essay* II, xvi, 3, 205). To the extent that money is both material, and identifiable with number, it connects the homogeneous, perfectly specifiable *ideal* world of numbers, to the world of individual heterogeneous pragmata, via the judgment of the traders.

Thus far, it appears that silver (and possibly gold) is true money for Locke. Locke

---

[1]Being hard to counterfeit is an aspect of scarcity.

is, as a practical matter, properly categorized as a 'metallist.'[2] But it is difficult for us today to see what it is in his thought that should lead him to be so. We know Locke too well to think that he could mean that metal's value is simply 'inherent.' Metal's intrinsic value is due to the *common perception* of its having qualities that make it useful as a counter, nothing more and nothing less. There seems to be little reason that paper money may not be made to have the requisite characteristics of money, as we today know that it may. While it is not homogeneous in its materriality, as representing number it is perfectly so. Just as the government's behavior helps make a distinction between *money* and *treasure* for Locke—by stamping it as a guarantee of weight and fineness—we see today that the government may make numbers on paper stand in adequately for value. Looking to Locke's own discussion of paper money in *Some Considerations*, we may find clues about why Locke saw the necessary qualities in metal, and not in paper bills:

> The Necessity therefore of a Proportion of Money to Trade, depends on Money not as Counters, for the Reckoning may be kept, or transferred by Writing; but on Money as a Pledge, which Writing cannot supply the place of: Since the Bill, Bond, or other Note of Debt, I receive from one Man will not be accepted as Security by another, he not knowing that the Bill or Bond is true or legal, or that the Man bound to me is honest or responsible; and so is not valuable enough to become a current Pledge, nor can by publick Authority be well made so, as in the Case of Assigning of Bills. Because a Law cannot give to Bills that intrinsick Value, which the universal Consent of Mankind has annexed to Silver and Gold. And hence Foreigners can never be brought to take your Bills, or Writings for any part of Payment, though. they might pass as valuable Considerations among your own People, did not this very much hinder it, *viz.* That they are liable to unavoidable Doubt, Dispute, and Counterfeiting, and require other Proofs to assure us that they are true and good Security, than our Eyes or a Touchstone. And at best this Course, if practicable, will not hinder us from being Poor; but may be suspected to help to make us so, by keeping us from feeling our Poverty, which in Distress will be sure to find us with greater disadvantage. Though it be certain it is better than letting any part of our Trade fall for want of current Pledges; and better too than borrowing Money of our Neighbours upon *Use*, if this way of Assigning Bills can be made so easie, safe and universal at home, as to hinder it.

---

[2]Cf. e.g., Schumpeter (1954, 291); Monroe (1965, 111–113); Vaughn (1980, 35).

(*SC*, 234–5)[3]

What leaps out as the most salient consideration regarding the possibility of paper money, is the position of England in the world. It is the consideration of international relations that makes paper money an unreasonable option for Locke. Government guarantees will not satisfy foreigners; consent to paper money guaranteed by individual governments could not be expected to be *universal.* He apparently does not believe that the government has sufficient strength to enforce paper currency amongst all actors whose actions are relevant to the national health. Civil laws do not seem to be as strong as the more universal belief in precious metals. But the shortfalls of paper bills would seem to be contingent on technological capacity, they are not absolute or necessary inadequacies. Locke's is not an absolute theoretical opposition to paper money, it is a practical argument based on his judgment about what governments are able to do, given the state of the art. He makes this clear by spelling out the conditions under which bills might be used. Perhaps paper money could work if "Doubt, Dispute, and Counterfeiting" could be prevented. Indeed, *if* the only option is letting trade fall, or borrowing from foreigners at high interest, *and if* they "can be made so easie, safe and universal at home," *then he prefers bills.* This is not a critique of paper money, per se; it is little more than the statement of what qualities are requisite to any money's functioning properly for all.

Until recently, it was almost axiomatic to all political theory, ancient and modern, that the force of laws is to a great extent subject to their being believed. Prudent legislation was seen to be more difficult than simply putting laws on the books; one must consider what people already believe, and so will be willing to obey. For Locke there is something essentially human in our orientation toward commerce on the basis of some common language or measure, which is in some sense prior to, and partially exempt from,

---

[3]Cf. *SC*, 229, 232 where Locke seems more certainly opposed.

the legitimate control of the civil government. This measure is most visible in the otherwise lawless 'realm' of international relations. Some metals are in fact readily accepted regardless of government. They are in effect universally human and prior to any law made by legislatures or Kings.[4] Men's *common trust* in silver to act as a medium holds them together in trade. We will see in the next chapter the full extent to which international commerce must be considered. Here we only note that Locke asserts that writing guaranteed by individual governments is unlikely to be trusted by strangers.[5]

The *intrinsic* value of money has nothing to do with an *inherent* quality or power of the metal to satisfy directly. Its foundation is the common perception of qualities which make it a kind of fixed measure. It is not entirely tautological to say that common trust makes the common pledge. That this is a complex position made it eminently easy to distort and condemn by men like Barbon. Yet its fundamental logic also made it possible for a metal standard system to work for over two hundred years, and still to play an immeasurable psychological role with countless millions among us.

We have explored a little the question *why* money is taken as equivalent to, or answering all things, but not yet *how* it does so. The particulars were introduced to tell us how making a law lowering the cap on the interest rate might change prices in general, or how lowering the legal price for lending stored money would affect the use of money as the universal barter. This is taken up directly with particular nine. In the early writings, particulars nine and ten were combined, into what was there number eight. They are so closely related that they will here be considered together.

9. Money, whilst the same quantity of it is passing up and down the Kingdom in Trade, is really a standing measure of the falling and rising value of other Things in Reference

---

[4]See *2T*, 14, 145, 181, 183–4 cf. also 37–8, 45, 47–8, 50, 111.

[5]See Vaughn (1980, 35–6); cf. Hegeland (1969, 30).

to one another: and the alteration of price is truly in them only. But if you increase or lessen the quantity of Money current in Traffick in any place, then the alteration of value is in the Money: And if at the same time Wheat keep its proportion of Vent to quantity, Money to speak truly alters its worth, and Wheat does not, though it Sell for a greater or less price than it did before. For Money being look'd upon as the standing measure of other Commodities, Men consider and speak of it still, as if it were a standing measure, though when it has varied its quantity, 'tis plain it is not.

10. But the value or price of all commodities, amongst which Money passing in Trade is truly one, consisting in proportion, you alter this, as you do all other proportions, whether you increase one, or lessen the other.

These particulars at first appear to be a repetition of what we have just considered from the eighth particular, only moving the focus away from the fact that money is *looked upon* as standing, to showing how it *is not* so from a more general point of view. They emphasize that prices are determined by a constantly shifting set of relations among products. Our habit of focusing our attention on one commodity, money, gives it the appearance of fixity, but it is not 'objectively' so.[6] When Locke has an occasion to talk in the causal terms which modern economists prefer, he describes the flexibility of the value of the money metals in terms which any economist might admire:

> The *value* or *price* of any thing, being only the respective estimate it bears to some other, which it comes in Competition with, can only be known by the quantity of one, which will exchange for a certain quantity of the other. There being no two things in Nature, whose proportion, and use does not vary, 'tis impossible to set a standing regular price between them. The growing plenty or scarcity of either in the Market; (whereby I mean the ordinary places, where they are to be had in Traffick) or the real Use, or changing fashion of the place bringing either of them more into demand than formerly, presently varies the respective value of any two Things. You will as fruitlesly endeavour to keep two different Things steadily at the same price one with another, as to keep two things in an *Æquilibrium*, where their varying weights, depend on different Causes. Put a piece of Spunge in one Scale, and an exact counterpoise of Silver in the other, you will be mightily mistaken if you imagine, that because they are to day equal, they shall always remain so. The weight of the Spunge varying with every change of moisture in the Air, the Silver in the opposite Scale will

---

[6]For how a *moving* thing may act as a *standing* measure, see *Essay* II, xiv, 11, 185. But cf. also the role of habits at *SC*, 248–9, *Essay* II, ix, 8–10, 145–7; II, xxi, 69, 280–1; II, xxii, 10, 293. Schumpeter (1954, 291) recognizes the role of habit.

> sometimes Rise and sometimes Fall. This is just the State of *Silver and Gold* in regard of their mutual value. (*SC*, 328)

What makes these two particulars much more than a refinement of the eighth, is Locke's subtle acknowledgment here of what we may call the *velocity of money*. Most interpreters recognize that Locke occasionally grasped the effect of the velocity of money's circulation, but when they analyze the role of money in his system they focus on his purported identification of money and capital, in effect charging him with forgetting that he mentioned circulation at all. He does not elaborate the role of circulation in this particular—and we should ask ourselves why—but earlier in *Some Considerations* he has been explicit about the importance of money's rate of circulation. In a discussion of the importance of a quantity of money to "drive trade," he had noted that a specific quantity was indeed required, but that the precise proportion was hard to determine "because it depends not barely on the quantity of Money, but the quickness of its Circulation. The very same Shilling may at one time pay Twenty Men in Twenty days, at another, rest in the same Hands One Hundred days together" (*SC*, 239–40).

Against the tradition of interpretation, we will assume that he here uses the words *current in Traffick* and *passing in Trade* with care, to imply that only money actually being traded, not that being held, is considered here.[7] Locke does use *money* very differently in different contexts, but his usage is not random, nor is the logic of his usage inaccessible to the careful reader. To be mistaken by many readers may not have been anathema to Locke's intentions.

---

[7]Angell (1965, 19n.1) denies that Locke limited his statements of market value to goods in circulation.

If one considers that his editing of the early manuscripts may have been intended to *obscure* his presentation in some parts, then a parenthetical remark in early writings may corroborate the point in the text: "The summ of mony you have among you . . . not being to be estimated in reference to its price by the masse that does exist and is in being but by the quantity that is current in trade and lyes open to be purchased by him that has a minde to it" (*EW*, 188).

Locke's use of capitalization appears to be extremely careful in this regard. Looking back to our discussion of the fifth particular, we may recall his definition of vent as a portion of money designed for a product: "The Vent of any Commodity comes to be increased or decreased as a greater part of the Running Cash of the Nation is designed to be laid out by several People at the same time rather in that, than another, as we see in the change of Fashions" (*SC*, 244). We may now see that *Running* is capitalized because it is part of the noun, and so the quantity of money considered there is equivalent to the quantity of coin, multiplied by its speed of circulation, or velocity—the number of trades it facilitates. Since money serves as a measure in all trades, as a *measure,* money's quantity is equal to the total monetary value of all trades. We will soon see that at other times, when he is considering money in its *storage* function directly, Locke uses 'money' to refer to *all* of the money metal being held by a person, or in a country. Here, on the other hand, Locke uses money in neither of those senses, but rather in a third sense, to refer to the *coin* which is passing or current, as the lower case modifiers attest, but *excluding* its velocity.

It is only the consideration of his political intentions and rhetorical strategy that will solve the puzzle of this threefold use of the word 'money.' If Locke openly acknowledges that the relevant quantity of money in this regard is not simply the quantity of metal, he is quite likely to contradict the prejudices and lose the valuable support of the mercantilists in his readership, whom he needs on his side in order to do what he believes to be best for his country. What is more, beyond 'seducing' metallists, Locke wants to *encourage* metallism, for reasons which are not at all simplistic, which much of the remainder of this study is dedicated to explaining. For now let me leave it at saying that fixing credit to metal puts a salutary limit on credit, which is ultimately natural, but whose naturalness may not be immediately visible to all or even most of the relevant actors in society.

Failure to consider closely how Locke employs the term *money* is the primary reason that most interpreters do not believe that Locke clearly linked interest rates and prices; but this is really integral to the main design of the book, of which Locke never loses sight. Because Locke raises the question once, and dismisses it as "not in this place to be considered" (*SC*, 246), it is assumed that the consideration was not necessary to the proper understanding of the whole book, and so it is not asked how that consideration is *indicated* by Locke.[8] If we look again to the *Early Writings*, we find that there he points to a reason for this apparent omission:

> The fall therefore or rise of interest makeing neither more or Lesse, Land, mony, or Commodity, in England then there was before, Immediately by its change. but *onely in a long traine of Consequences*, which are not instantly felt, alters not at all the value of mony in referrence to Commodities, because the measure of that is onely the quantity and vent which are not immediately changed by the change of interest, but onely as the change of interest may in trade conduce to the bringing in or carrying out mony or Commodity and so in time varieing their proportion here in England from what it was before, which is *not in this place* to be considered; (*EW*, 179, emphasis added)

We are reminded by Locke's language here of the place in *Reasonableness* where Locke argues that because the "greatest part of mankind want leisure or capacity for demonstration, nor can carry a *train of proofs* . . . [h]earing plain commands is the sure and only course to bring them to obedience and practice" (§243, 179). Consideration of effective rhetoric may have convinced him that an explicit account of the relation between interest rates and the price level was not judicious. How many people on the street today know, or would be heartily assured if they knew, that when they borrow money, the money is 'created', and only exists as 'blips' on an electronic leger? How many members of Congress have thought carefully about the most profound relations of the economy of desires and the long-term national interest?

Yet some readers, on the other hand, will require such reasoning. Locke provides

---

[8]Cf. Kelly 1991, 80–1, 90–4; Vickers 1959, 57.

this. Most of the information necessary to the consideration of the *long traine of Consequences* that connects the interest rate and the general price level is made available by Locke. Enough apparent inconsistencies or ambiguities are provided to indicate where extra consideration is necessary in order to link them. Let us look one last time at how the particulars are introduced. After asserting that reducing the interest cap does not make "the Money of *England* . . . one Farthing more than it was," and so does not directly alter the price level, Locke goes on to say that:

> If lessening *Use* to Four *per Cent.* should at all alter the quantity of Money, and make it less, it would make Money, as it has the Nature of a Commodity, dearer, *i.e.* a less quantity of Money would Exchange for a greater quantity of another Commodity, than it would before. This perhaps will appear a little plainer by these following particulars. (*SC*, 257)

If in fact Locke is aware that the quantity of money in the first sense, the quantity relevant to the price level—"as it has the Nature of a Commodity" (*SC*, 246)—includes its rate of circulation, then all that is lacking for this consideration to be a coherent account of how lowering the legal interest rate ceiling will affect the price level, is a recognition of how the quantity of debt and the quantity of money are related.

Locke's second use of 'money,' in its storage capacity, or as 'stock'—"as it has the Nature of Land" (*SC*, 246)—will be taken up with the next particular.

In particulars nine and ten, we are considering money in the third, intermediate sense, as metal actually serving trade; not all metal, and not metal serving trade multiplied by its velocity. If the velocity of money were included here the statements in nine and ten would be patently false. By Locke's proportional definition 'Running Cash' is a *perfectly* standing measure, since the total quantity of money traded must be exactly equal to the total of goods traded with money. Money prices, considered a posteriori, tell perfectly the relations of other goods. The value of each piece of metal is not fixed in the same way, however, from a certain perspective. With changes in velocity, or credit, each

piece of metal does more or less work, serves more or fewer trades. Even though the coin will have the same intrinsic value to an individual who considers it as standing still, from a national perspective it is more money as it does more work. Here the adjective is not capitalized: 'current,' not 'Running'; coin that is current is considered, but not in its currency.

To consider money in this intermediate sense, is to consider the relation between the other two senses. In the first seven particulars, money is considered primarily as a commodity, as a medium of exchange. In the final seven particulars, money is considered primarily as a store of wealth. These central seven particulars effect a transition between these two aspects, by shifting back and forth between them. This is not the only way to divide the particulars; one may also divide them in half, for example. The division will depend on the intention of the divider.[9]

The key to whether and how Locke understood the nature of money would appear to lie in the next particular. Particular eleven, in which Locke discusses the vent of money, has been as variously interpreted as any in the Locke's writings—yet almost always in such a way that it is taken to testify to Locke's muddle-headedness. Before beginning to attempt to unravel it, we might recall that the effect of re-numbering this list of particulars was to move the eleventh particular to the center of Locke's exposition. By chance, perhaps, it is also the middle paragraph of the major section on interest rates in which all major theoretical points are made.[10] While this remarkable coincidence proves

---

[9]Cf. e.g., *Essay* III, v, 1, 428–9; III, v, 7–9, 431–4; IV, iv, 17, 573.

[10]It also happens that these earlier particulars were placed in the 'new' text in such a way that particular eleven, the eighty-first paragraph, is the central paragraph of the important subdivisions made by paragraphs 23–140, and 45–117. Cf. Kelly 1991, 131n.4 and 135 on paragraphing and Locke's willingness to 'own' the work. Sometimes it seems that Locke places the greatest questions or enigmas in the central sections of his texts. Cf. *Questions; Conduct.* Cox (1960, 77) suggests something similar in regard to the *Second Treatise*, which would seem to make central the question of the 'true' citizen.

absolutely nothing, it does perhaps pique our curiosity enough to make us more attentive to its apparent obscurity.

If Locke is indeed attempting to do what I have suggested—i.e., show his most reasonable readers how interest rates interact with the quantity of the money commodity to make the quantity of *Running Cash* change, but also to allow his more common, prejudiced reader to be satisfied that the great philosopher agrees with them, in a way which makes them amenable to his leadership in making salutary decisions—then he has come to the most delicate moment in his presentation. He must discuss the quantity and vent of money in such a way that the different readers find different things—one including and one excluding circulation. This is made possible by the fact that money has two logically distinguishable values—exchange value like commodities and use value like land, or value as counters and as pledges. While we have here dwelt some upon it, Locke has only touched on this double value before the particulars. He does not repeat it within the particulars until *after* this discussion of money's vent. The reader who is unwilling to move back and forth between statements, rereading and reconciling them, will not square their connections. Perhaps he will not believe that Locke could be so *artful* as to make this necessary. It is more comfortable to take Locke's writings for "*disjointed, loose pious Discourses, full of Warmth and Zeal, and Overflows of Light, rather than for calm strong coherent Reasonings, that carried a Thread of Argument and Consistency all through them.*"

11. In all other Commodities, the Owners when they design them for Traffick, endeavour as much as they can to have them vented and gone, i.e. removed out of the reach of Commerce, by Consumption, Exportation, or laying up: But Money never lying upon Peoples Hands, or wanting Vent, (for any one may part with it in Exchange when he

---

Strauss (1953, 234) suggests that the *Two Treatises* might be considered together, making central the relations of money, landed property and civil laws. See also Strauss (1959, 219–20).

pleases;) the provident publick, and private care, is to keep it from Venting or Consuming, i.e. from Exportation which is its proper Consumption; and from Hoarding up by others, which is a sort of Ingrossing. Hence it is that other Commodities have sometimes a quicker, sometimes a slower Vent: For no body lays out his Money in them but according to the use he has of them, and that has bounds. But every body being ready to receive Money without bounds, and keep it by him, because it answers all things: Therefore the Vent of Money is always sufficient, or more than enough. This being so, its quantity alone is enough to regulate and determine its value, without considering any Proportion between its quantity and vent, as in other Commodities. (*SC*, 260–1)

Locke begins the pivotal eleventh particular by asserting that money is different from other commodities because owners of other commodities "when they design them for Traffick," want them to be consumed; i.e., of the possessions which they want to sell, they want to be able to sell more and/or at higher prices, and so want buyers to use them up (and perhaps to strengthen the habit of having them). "But," he goes on, "Money never lying upon Peoples Hands, or wanting Vent, (for any one may part with it in Exchange when he pleases;) the provident publick, and private care, is to keep it from Venting or Consuming, *i.e.* from Exportation which is its proper Consumption; and from Hoarding up by others, which is a sort of Ingrossing" (*SC*, 261).

Upon reading this, the mercantilist reader's expectations are amply satisfied that what we need to do is increase our national stores, prevent the exportation of money, and not let other countries hoard it. This being just as he had already thought, he does not closely interrogate Locke who is 'clearly' an advocate of us hoarding it ourselves. If Locke says that this position entails opposition to lowering the interest cap and to devaluation, then the reader will be inclined to oppose both measures.

But what does the careful and less prejudiced reader see? He sees glaring contradictions. If he is not content to write them off as errors, then he must ask what it means, for example, to say that money is "never lying upon Peoples Hands," and yet we have to worry about others hoarding it, because everyone is ready to "keep it by him"? What can Locke mean when he says that money never 'wants' vent, and yet we should

prevent it from venting? The reader must ask if it is possible, how and why, that Locke's writing is purposely contrived, rather than carelessly ambiguous or contradictory.

In the last line of particular eleven we are given something familiar enough to use as a lever to begin to pry loose its sense. If we are willing to believe that Locke has not *forgotten* that when "more money is stirring . . . less would do the business" (*SC*, 239), then he cannot mean here that the quantity of *coin* "is enough to regulate and determine its value." Rather, the quantity of money indicated in this sentence must be the total volume of sales which these coins serve, or total trade—i.e., the quantity of coin *and* its rate of circulation. The vent of all other trades is the same as the *vent* of money, when money is considered only as a medium of exchange—this is the quantity of 'Running Cash.' For money as a medium and counter, quantity *equals* vent *equals* the monetary value of trades. Locke's statements that the vent of money is always sufficient, or varies little, and that money is a standard measure are all perfect, by definition.

When money is considered only as a medium and measure of exchange, one could say that coin which is not 'venting,' or circulating, is *not money* at all—in Locke's term, it is "lying dead," as treasure (*SC*, 215): "For that which is not let loose into *Trade*, is all one whil'st Hoarded up, *as if it were not in Being*" (*SC*, 294). This reading makes sense of Locke's comment that money is "never lying upon Peoples Hands," functioning as money is intended to function, "in its proper use" (*SC*, 257).[11]

---

[11]A great deal may be learned about money by considering the analogy to Locke's thought on language in the third book of the *Essay*. The epigraph for the present chapter suggests 'storage' and 'exchange' functions for words. Words may be considered as empty variables to be filled by the content of the speaker's and listener's minds—we might say that language, for Locke, is already algebra. The following are relevant to the question of the priority of the communicative function: *Essay*, III, I, 1–6, 402–4; III, ii, 1, 404–5; III, v, 9, 433–4; III, vi, 21, 449–50; III, vi, 39, 463–4; III, x, 23, 504–5. But cf. III, v, 15, 437; III, vi, 46–51, 468–71. It is of profound importance that Locke's position is *indeterminate* on this matter. Consider for contrast Strauss's comments in his Preface to the 7th Impression (1971) of *Natural Right and History*, and what he there calls "the

While we can make sense of some of those statements of Locke's in particular eleven by understanding his meaning as regarding money in exchange, others are absolutely incomprehensible from the same point of view. Understanding money's vent as its quantity traded, for example, does not tell us why prudence dictates that we should "keep it from Venting." In that case, Locke seems to be using vent as a synonym for the exportation of coin, with which he immediately follows it. Furthermore, considering money from the point of view of its value in exchange only, we will never be able to understand how the eleventh particular may lead to the twelfth, which is put forth as a conclusion drawn from its predecessors. Without quitting our analysis of particular eleven, let us bring twelve into consideration.

12. Therefore the lessening of Use, *not bringing one Penny of Money more into the Trade or Exchange of any Country, but rather drawing it away from Trade, and so making it less, does not at all sink its Value, and make it buy less of any Commodity, but rather more.* (*SC*, 261)

Considering that particular twelve states precisely the conclusion that Locke's statement of the purpose of these particulars promised us, and that most interpreters deny, reminds

---

nerve of Hobbes's argument" (at p.176n. of Strauss 1959). Locke's statement that "it being *impossible for us*, by the contemplation of our own *Ideas*, *without revelation, to discover*, whether Omnipotency has not given to some Systems of Matter fitly disposed, a power to perceive and think, or else joined and fixed to Matter so disposed, a thinking immaterial substance. . . since we know not wherein Thinking consists. . ." (*Essay* IV, iii, 6, 540–1, emphasis added), could be profitably applied to this question.

In the case of money, as different from other less material aspects of language, one is relieved of the concern with the perfection of the storage aspect—one can hardly imagine perfect material security, considered as such. We need not concern ourselves, for example, with the imagined dilemma of the man who, having built up a satisfying and ordered store of ideas, or having had a pure vision, joyous in the stillness of its indifference to human concerns with the good, must, if he values consistency, consider that the very words he has used may originally have been intended as tools for the body which still hangs below his head, and that their original use rested on a supposition of the possibility of real human commerce.

us that it is the character of money as capable of 'earning' interest—which is an improvement of its capacity to *hold* value for its owners —which has so far been neglected. The middle sentences of particular eleven distinguish money from other commodities of less general use whose vents vary: "But every body being ready to receive Money without bounds, and keep it by him, because it answers all things; Therefore the Vent of Money is always sufficient, or more than enough." The vent of money here at first appears to be the same as what we call the 'demand' for money.[12] But

---

[12]Cf. Hegeland 1969, 28–9; Leigh 1974, 207n.14; Marget , 2:16–18; Monroe 1965, 111; Vaughn 1980, 37; Vickers 1959, 67–9. These references are models for the risk of interpreting Locke anachronistically. Even Vaughn, who is usually more careful, succumbs on this matter: "Locke seems to be saying that the demand for money as a medium of exchange will be constant and not subject to the whims of fashion which cause the demand for other commodities to change (another way of putting this is that Locke assumed the velocity of circulation of money was constant), which means that the value of money will be determined solely by the quantity available." Hegeland is in a way the most consistent with his analysis. His account approaches comedy as it shows just how deranged Locke's mind must have been if he actually was thinking in concepts different from the words he used, as Hegeland apparently believes. While I have quoted the end of the following passage above, it is worth seeing more of its context: "Identifying the desire for money as capital and as a medium of exchange, Locke falsely infers that because people will constantly say 'yes' to the receipt of money, there is a constant, that is, unaltered, demand for money. He is also mistaken when he claims that an increase in the price of money, that is, the rate of interest, because of the lessening of its quantity, will make 'an equal portion of it exchange for a greater of any other thing.' There is no necessity for a given quantity of money to be worth more in respect to its exchange value when the rate of interest increases, a fact even stressed by Locke himself [which Hegeland must think that Locke forgot]. What Locke apparently has in mind is that a change in the quantity of money will affect both the rate of interest and the exchange value of money. In this respect, he is consistent, since both are said to be determined in the same way. But his proposition that the demand for money is 'constant', and therefore changes in the value of money must depend upon variations in its quantity, implicitly presumes that the amount of trade is constant also! Totally viewed, if trade declines, the demand for money, both as 'capital' and as a means of exchange, will decline. Locke overlooks this because his argumentation of a 'constant' demand for money is based on an individual's preferences in spite of the fact that he is dealing with total categories. His conclusion, therefore,— irrespective of the confusion of the concept of the demand for money—is consistent with his idea that the exchange value of money is determined by the proportion of money to the amount of goods or trade, since his

we need not believe this to be the case. Locke always uses vent in his technical sense of sales. The sentence is merely describing what Locke calls the intrinsic value of money: "The ***intrinsick value*** of Silver consider'd as Money, is that estimate which common consent has placed on it, whereby it is made Equivalent to all other things, and consequently is the universal Barter or Exchange which Men give and receive for other things they would purchase or part with for a valuable consideration: And thus the Wise Man tells us, *Money answers all things*" (*FC*, 410).[13] It is not impossible that Locke wanted a certain reader to take *vent* to mean *demand*, but we will have to return to that question further on.

For Locke, as for Keynes later, considering the exchange function of money in isolation from its storage function is artificial and misleading. Because money is accepted universally as a pledge, it stores value over time like land, and so it can bring an income to its owner.[14] In *Further Considerations*, Locke explains that money is unique among measures:

> Some are of [the] opinion that this measure of Commerce, like all other measures, is Arbitrary, and may at pleasure be varied, by putting more or fewer Grains of Silver in pieces of a known denomination, *v.g.* by making a Penny or a Shilling lighter or heavier, in Silver, in a Country where these are known denominations of pieces of silver Money. But they will be of another mind, when they consider that Silver is a measure of a nature quite different from all other. The Yard or Quart Men measure by, may rest indifferently in the buyers or sellers, or a third Person's hands, it matters not whose it is. But it is not so in Silver. *It is the thing bargain'd for, as well as the measure of the bargain* [emphasis added]; and in Commerce passes from the buyer to the seller, as being in such a ***quantity*** equivalent

---

proposition of a 'constant' demand for money implies that the amount of trade remains unchanged. Then, obviously, it is a truism to say that changes in the value of money must depend exclusively on variations in the supply of money."

[13]Cf. Spinoza *Ethics*, IV, Appendix, xxviii: "Now to provide all this the strength of each single person would scarcely suffice if men did not lend mutual aid to one another. However, money has supplied a token for all things. . . " (1983, 200).

[14]Cf. *SC*, 246, 249–50.

> to the thing sold: And so it not only measures the value of the Commodity it is apply'd to, but is given in Exchange for it, as of equal value. (*FC*, 412)

When Locke, in particular eleven, seems only to be referring to one or the other aspect of money's value, the good reader must also consider how his statements relate to the one not mentioned, and he must consider how they may be connected, how *both* may be intended. Locke often states the conclusion which should be drawn, though sometimes in distant places. Lowering the legal interest rate will lessen the quantity of circulating money, because more of it will be held, hoarded—i.e., one person's stored money, will not be available for use by another; less credit will be extended. The conclusion had been stated more explicitly, though with no substantiation, near the beginning of *Some Considerations*:

> And should you lessen the *Use* to Four *per Cent.* the Merchant, or Tradesman, that Borrows, would not have it one jot cheaper, than he has now; but probably these two ill effects would follow. First, That he would pay dearer; and Secondly, That there would be less Money left in the Country to drive the Trade. For the Bankers paying at most but Four *per Cent.* and receiving from Six to Ten *per Cent.* or more, at that low Rate could be content to have more Money lye dead by them, than now when it is higher: By which means there would be less Money stirring in Trade, and a greater Scarcity; which would raise it upon the Borrower by this *Monopoly*. (*SC*, 215)[15]

---

[15]If the reader has not thought carefully about it, the ambiguity of "left in the Country to drive the Trade," will not be obvious. He will see the former part of the phrase, not the latter. Yet Locke subtly insists that it is the money, *in its motion*, that counts. Without overburdening the text, let me offer a few more examples in order to clinch this crucial point:

"This loss to the mony'd Men will be a prejudice to Trade: Since it will discourage Lending at such a disproportion of Profit, to Risque; as we shall see more by and by, when we come to consider of what consequence it is to encourage Lending, that so none of the Money of the Nation may *lie dead*, and thereby prejudice Trade" (*SC*, 220–1, emphasis added).

"Whatsoever therefore hinders the Lending of Money, injures Trade: And so the reducing of Money, to Four *per Cent.* which will discourage men from Lending, will be a Loss to the Kingdom, in *stopping so much of the Current of Money*, which turns the Wheels of Trade" (*SC*, 224, emphasis added).

In particular eleven Locke has silently switched from primary concern with the market value of money, which we have seen is determined by domestic, or political ratios of money and goods, to an analysis primarily concerned with its storage, or intrinsic value, which seems to be an aspect of human nature. Particular eleven goes both with the ten preceding, political or market value; and the ten following particulars, natural or intrinsic value. Here we find indicated the consideration that unites the two.

Whether or not he meant it to be assimilated to *vent*, Locke has made a crucial assertion about the *demand* or desire for money in the middle of this central particular. Something is always lacked; even the great philosopher must eat in order to live. As long as money vents, or trades, people will always wish to have a store of it on hand against future wants. The interest rate is an incentive to let go of money that lies dead. Because everyone is "ready to receive Money without bounds, and keep it by him, because it answers all things," it is not people's willingness to pay in order to borrow that is the limiting factor which determines the interest rate: "For Money being an universal Commodity, and as necessary to Trade, as Food is to Life, everybody must have it, at what Rate they can get it" (*SC*, 214). Rather, the interest rate is the price necessary to overcome lenders' estimates of the risk involved in lending. In other words, for Locke, the interest rate is analogous to what Keynes calls a "reward for parting with liquidity," or an incentive to dishoard.[16] Locke would perhaps sooner say that it is a price for parting with some *security,* but up to this point Locke and Keynes are largely in agreement.[17]

"At least, this is certain, That making a Law to reduce *Interest*, will not raise the Price of Lands: It will only, by *driving it more into the Bankers Hands*, leave the Country barer of money, whereby, if the price of Land about *London*, should be accidentally raised, that of remoter Counties would thereby have fewer Purchasers, and at lower Rates" (*SC*, 270, emphasis added).

[16]See Keynes 1935, 167.

[17]Cf. Vaughn 1980, 57–8; Kelly 1991, 74; Leigh, 1974.

Notice that in the *Early Writings* Locke introduced the particulars in a slightly different way:

> But rather if lessening use to 4 per Cent does at all alter the quantity of mony it makes it lesse either by transportation into those countrys where it will yeild more profit or *by whording up because of the smalnesse of the use*, both which ways the vent of mony is increased and the quantity deminished. (The summ of mony you have among you as well as the quantity of other commoditys not being to be estimated in reference to its price by the masse that does exist and is in being but by *the quantity that is current in trade and lyes open to be purchased by him that has a minde to it*) and soe the falling of use though it makes mony as it has the nature of land, Cheaper, it makes mony as it has the nature of a commodity, dearer:i.e. a lesse quantity of mony will change for a greater quantity of an other commodity then it would before. This perhappes will appear a Little playner by these following particulars. (*EW*, 188 emphasis added)

Only by considering his rhetorical strategy do we understand why this most explicit statement was removed. Still, even in *Some Considerations*, Locke is quite explicit, once we have eyes to see it, that the interest rate is a reward for parting with security. In answering the claim of some "Patrons of Four *per Cent.*" that lowering the legal interest rate would entice more people to borrow money and employ it in trade,[18] Locke asks simply: "Will Four *per Cent.* increase the number of Lenders?" (*SC*, 296) His answer is emphatically negative:

> Indeed I grant it would be well for *England*, and I wish it were so, that the plenty of Money were so great amongst us, that every man could borrow as much as he could use in Trade, for Four *per Cent.* nay, that Men could borrow as much as they could imploy for Six *per Cent.* But even at that Rate, the Borrowers already are far more than the Lenders. Why else doth the Merchant upon occasion, pay Six *per Cent.* and often above that rate for Brokage? And why doth the Country Gentleman of One thousand pounds *per Annum* find it so difficult, with all the security he can bring, to take up a Thousand pound? All which proceeds from the *scarcity of Money, and bad Security* [emphasis added]; two Causes which will not be less powerful to hinder Borrowing, after the lowering of *Interest*: and I do

---

[18] Claims which he shames with derision as being "Gilded words indeed," "wit without Money," and the "pratling of Jackdaws . . . who . . . set all their young ones a gaping, but have nothing in their empty Mouths but Noise and Air;" and adds that the "sweet gingling of Money in their discourses goes just to the Tune of, *If all the World were Oatmeal*" (*SC*, 296–8).

> not see, how any one can imagine that reducing *Use* to Four *per Cent.* should abate their force; or how *lessening the Reward of the Lender, without diminishing his Risque* [emphasis added], should make him more forward and ready to Lend. (*SC*, 297)

The key variable that has been pushed to the background, which accounts for the asserted, but unexplained, connection between the theory of the interest rate and the theory of the price level, is the level of *security* in the country. Money that is on loan can still function as a store of security, can still satisfy a psychological 'need', if the chances of being repaid are estimated to be very high. Other things being equal, in a country where there is more security, people will be willing to lend more money. The greater supply will lower interest rates. Therefore, the same amount of coin will serve a greater amount of trade; money will be more available for investment, more labor will be employed, the population will grow. Lowering the legal cap on interest, below what the actual sentiments of insecurity of the citizenry are, will reduce lending, reduce borrowing and investment, reduce the amount of trade a given portion of coin will serve, reduce employment and population.[19] We might say that *labor* and *security* (or its obverse, *insecurity*), are the only truly *independent* variables in Lockean political economics. Their apparent similarity makes it altogether too easy to assimilate these to *supply* and *demand*, respectively. Before we treat more fully of security, it will be helpful to consider the foundation of later scientific economics in order to make clearer just how Locke's account differs.

---

[19]This chain of consequences relies on specific historical conditions; the effects on population, for example, assume subsistence labor and few obstacles to population growth besides employment.

LABOR THEORY OF VALUE

For Locke, the price of borrowing money, the interest rate, is a price for the temporary use of an owner's stored security in money. 'Classical' economists ignored, or at least abstracted from the storage value of money in order to preserve the doctrine of natural equilibrium in the market. Since it was this doctrine that allowed them to divorce economics from politics, Locke's putative role in enabling it is a charge serious enough to merit close attention. For David Ricardo, the interest rate is not due to insecurity, but rather to the profit rate to capital in the market at that time:

> In another part of this work, I have endeavoured to shew, that the real value of a commodity is regulated, not by the accidental advantages which may be enjoyed by some of its producers, but by the real difficulties encountered by that producer who is least favoured. It is so with respect to the interest for money; it is not regulated by the rate at which the Bank will lend, whether it be 5, 4, or 3 per cent., but by the rate of profits which can be made by the employment of capital, and which is *totally independent of the quantity, or of the value of money.* Whether a Bank lent one million, ten millions, or a hundred millions, they would not permanently alter the market rate of interest; they would alter only the value of the money which they issued. In one case, 10 or 20 times more money might be required to carry on the same business, than what might be required in the other. (Ricardo 1951, 363–4, emphasis added.)

Capital in general, not money, truly represents value, and interest depends on the expected profit from employing capital. The availability of money is irrelevant to the classical doctrine of interest, wherein money is nothing more than a *neutral* medium. This raises the question 'why then money instead of a less frictional, perhaps verbal medium?' However, no attempt is made to analyze the essential character of money, which accounts for its unique role in the economy.

According to the classic doctrine, money may be considered neutral, because, in the not very long run, demand meets supply, or, in the words Keynes uses in his classic critique: "the whole costs of production must necessarily be spent in the aggregate, directly or indirectly, on purchasing the product" (Keynes 1935, 18). If there is any act of

abstention from consumption, that portion of supply not consumed will be invested in capital. "Contemporary thought is still deeply steeped in the notion that if people do not spend their money in one way they will spend it in another" (20). Since supply and demand equilibrate readily, if there is any 'friction' in the medium of exchange it is little enough that it may be safely ignored. The desire to hold money, as security, is either entirely ignored, or at best assumed to be finite and constant. The earliest, and still occasionally propounded form of the dogma is Jean-Baptiste Say's 'law' that 'supply creates its own demand.' In later versions of classical economics, the reason that supply is considered to be the driving cause is not given, and so may as accurately be supposed to be mystical superstition as anything. In earlier versions it was not mystical; the superstition was explicit. There it followed directly from the *labor theory of value,* as is implied in the first sentence of Ricardo quoted above. Locke is sometimes credited with the early statement of this 'theory' in his *Second Treatise*. However, we see no trace of this in *Some Considerations.* This is perhaps the greatest inconsistency in Locke's corpus with which we must here come to grips. If Locke had a unified political philosophy which is consistent with *Some Considerations*, then Locke does not have the 'labor theory of value' that some suppose he has. Nor can Locke's teaching be assimilated to such a doctrine without assuming that Locke is here, and throughout his works in questions parallel to these, inconsistent to the point of ridiculousness.

The labor theory of value in its common form requires the commitment that labor is the *efficient cause* or *substantial source* of all real value. Market prices ought somehow to reflect the quantity of labor put into commodities. On the whole they do, according to the doctrine, though the manifestation of this is in the market is delayed and imperfect. It is Ricardo who first had the nerve to state the labor theory of value in its most uncompromising form, though an effectively equivalent theory was already

deployed by Petty in the 1660s.[20] Much of the first several sections of Ricardo's chapter on value is a critique of Smith's double, perhaps hedging, statement of the labor theory. The part that he approves of is that "the quantity of labour realized in commodities, regulate[s] their exchangeable value," and therefore "every increase of the quantity of labour must augment the value of that commodity on which it is exercised, as every diminution must lower it" (Ricardo 1951, 13). "[I]t is the comparative quantity of commodities which labour will produce, that determines their present or past relative value . . ." (17).

Labor and time are treated as perfectly homogeneous in this account. Ricardo claims to make allowances for differing qualities of labor, (20) but he only in fact accounts for what we might call different 'densities,' or as he prefers, 'intensities' of labor—i.e., not different *kinds* of labor, but more labor of the same genus packed into the same period. The labor itself is homogeneous, and a standard time may be allotted to it, as is seen in this approving quotation of Smith: "It is natural that what is usually the produce of two days', or two hours' labour, should be worth double of what is usually the produce of one day's, or one hour's labour" (13). The market discovers the difference between intensities of labor. Any discrepancy "comes soon to be adjusted in the market with sufficient precision for all practical purposes . . ." (20).[21]

Marx's criticism of classical economics was the opposite of a criticism of this, its

---

[20]See Petty 1899, 43–5.

[21]At least since the advent of marginal utility analysis in the 1870s, with the seminal works of Jevons, Menger and Walras, the doctrine of supply equaling demand, which reduces to labor equaling value, has been sedimented in the form of the assumption of market equilibrium. Regarding the compensation of labor directly, for example, it is assumed that whatever part of the market price of a good is above the laborer's wage, on the whole, in the long-run, is compensating the entrepreneur's intellectual labor and the capitalist's labor of abstention. See Keynes (1935, 5), for a more detailed account of the dogma.

most dearly held premise.[22] Rather, it has the character of a radicalization. His criticism was only that the market did not *justly* approximate the value of labor put into a thing. Market price is "constantly changing with time and place." Therefore, "an exchange value that is inseparably connected with, inherent in, commodities, seems a contradiction in terms" (Marx 1952, 13–14). Yet, that the unjust market did not discover the value of goods, did not mean that it was not in principle discoverable. While Marx was more realistic than Ricardo in his understanding of the determination of market prices, this observation did not lead him to question that labor was the real source of value. The thing that all commodities had in common, which must be their measure, was again their embodied, homogeneous, labor:

> This common "something" cannot be either a geometrical, a chemical, or any other natural property of commodities. Such properties claim our attention only in so far as they affect the utility of those commodities, make them use-values. But the exchange of commodities is evidently an act characterized by a total abstraction from use-value. Then one use-value is just as good as another, provided only it be present in sufficient quantity . . . If then we leave out of consideration the use-value of commodities, they have only one common property left, that of being products of labour. But even the product of labour itself has undergone a change in our hands . . . all are reduced to one and the same sort of labour, human labour in the abstract . . .
>
> The labour, however, that forms the substance of value, is homogeneous human labour, expenditure of one uniform labour-power. The total labour-power of society, which is embodied in the sum total of the values of all commodities produced by that society, counts here as one homogeneous mass of human labour-power, composed though it be of innumerable individual units. Each of these units is the same as any other, so far as it has the character of the average labour-power of society, and takes effect as such; that is, so far as it requires for producing a commodity, no more time than is needed on average, no more than is socially necessary. The labour-time socially necessary is that required to produce an article under the normal conditions of production, and with the average degree of skill and intensity prevalent at the time. (Marx 1952, 14)

One could say that Marx, to solve the inconsistency in economics, completely abstracts

---

[22]Marx (1969, 365–7) is as much responsible as anyone for the attribution to Locke of a labor theory of value.

labor from its source in the human condition of imperfection due to embodiedness—he abstracts from the tyranny of time and place. The labor is more real than the particular individual, who only *appears* to be its source. It is not the labor of a particular body trying to fulfill particular desires. Of course this approach ends in a perfect world—a world apparently relieved of the untidiness of bodies.[23] In effect, by refusing to distinguish different *qualities* of labor, Marx fails to acknowledge the impossibility of accounting in advance for differing judgments. In so doing he effectively refuses reality to the human ability to distinguish and choose. This is another way of saying that the opposite of 'false consciousness' is not 'true consciousness', but unconsciousness.[24]

Locke's 'scientific,' i.e., a posteriori definitional, account of the economy takes

---

[23]Simmel (1990, 409–428) offers a critique of Marx, which reads in part: "It seems to me that, by and large, one can maintain the view that the diverse valuation of qualities of performance embodying the same subjective labour effort none the less expresses the diversity of *amounts* of labour that are contained in the particular achievements in a mediated form. In this manner, the gain for the theoretical unification of economic values, from which the labour theory commences, is provisionally secured.

In this way, however, only the general concept of labour becomes relevant and the theory therefore rests upon a very artificial abstraction. One could counter it with the view that it rests upon the typical illusion that original labour and fundamental labour as such exist, and exist primarily, to a certain extent as second-order determinations, and its specific qualities enter into it in order to make them determine it; as if those qualities by means of which we characterize an action as labour as such did not, with their remaining determinations, form a complete unity, as if each distinction and rank order did not rest upon a completely arbitrarily drawn demarcation line! It is just as if man was straightaway man as such and then, in real distinction from this, was straightaway the determinate individual!" (417)

[24]Mansfield (1979) provides an excellent comparison of Marx and Locke, as well as Aristotle, on the nature of property. He characterizes Marx's attitude toward the apparent heterogeneity of things that is sedimented in the persistence of the political as "exploitation through formalism" (28). He characterizes Marx's solution as "quantification." Without satisfying explication, Mansfield aptly recognizes Locke's abstention from a pure labor theory of value by saying that for Locke "exchange value is clearly subordinated to use value and the Lockean commodity does not become a fetish" (35).

trades as given, allowing each person what is necessary to *action—i.e.*, the use of his own judgment to estimate by *provisionally* 'homogenizing' time. Ricardo and Marx superstitiously assume the *objective* homogeneity of time and effort—for all individuals. The following clever malice of Keynes concerning Ricardo, would apply as well or better to Marx: "Ricardo offers us the supreme intellectual achievement, unattainable by weaker spirits, of adopting a hypothetical world remote from experience as though it were the world of experience and then living in it consistently. With most of his successors common sense cannot help breaking in—with injury to their logical consistency" (Keynes 1935, 192).

For Locke, as we have seen, the value of things lives in people's perceptions. We only know the perceptions which we *call* the 'effects' of 'powers', although, by a tacit proposition, we impute the cause to a subject.[25] While it is unavoidable that we make some such attributions—as action is required of us[26]—our equally unavoidable uncertainty, due to our essential ignorance of the connection of effect with cause, may not reasonably be forgotten or glossed over. As a reminder of the depth of Locke's understanding of this ignorance, we may simply pair the following two assertions: "For who is it that sees not, that *Powers* belong only to *Agents*, and *are Attributes only of Substances, and not of Powers* themselves?" (*Essay* II, xxi, 16, 241). ". . . We have no such *clear Idea* at all, and therefore signify nothing by the word *Substance*, but only an uncertain supposition of we know not what; (*i.e.* of something whereof we have no particular distinct positive) *Idea*, which we take to be the *substratum*, or support, of those *Ideas*, we do know" (*Essay*, I, iv, 18, 95). It would be an intolerable fantasy for Locke to begin the study of human commerce with the concept of labor as a substantial source of

---

[25]See *Essay* II, xxii, 11, 294; III, ii, 4–6, 406–7; III, x, 20–1, 501–3.

[26]See *Essay* IV, xvi, 4, 660.

value. For Locke, the so-called *classical* economists do not, cannot, know ***what*** they are talking about.

This criticism may be objected to on the grounds that too much has been made of the importance of the labor theory of value to classical economists. It is sometimes argued that no one but Marx actually held that labor could be considered the substantial cause of value. Stigler (1956) makes the claim in regard to Ricardo, that his emphasis on labor was based only on the empirical observation that it was the major determinant of price in the long-run.[27] This objection does capture the reticence of authors of the school to face the implications of their method, but I do not believe that it lessens the magnitude of the problem. To proceed on the basis of the natural equilibrium of supply and demand, to consider only labor as a determinant *somehow* equal to demand, and to then treat money as neutral, is either to hold the theory which I have outlined, or it is to say that we are looking here, not because there is any reason to believe it to be here, but because the light here is better. The imputation I have made is not more damaging to the claim of having the status of science than the alternative one would be.

Locke, in the *Second Treatise,* misleadingly *suggests* the kind of *labor theory of value* which provides the foundation for the equilibrium theories by juxtaposing comments on what is more properly called his *labor theory of property*[28] and empirical observations that it is in fact *mostly* the product of labor which is valued in the market.[29] We have already seen in our discussion of particular seven that Locke indeed implies that when there are no obstacles to production supply will rise to meet demand. But this is not so for goods which are essentially scarce—a scarce necessity, like land, or in our ordinary

---

[27]Cf. Vaughn 1978.

[28]*2T*, §§ 26–30, 286–90.

[29]*2T*, §§40–3, 296–8.

circumstances money, has its value determined at least in part by its scarcity.[30] In a crude sense, the labor-equals-value, or supply creates its own demand, dogma may be helpful as long as its limits are kept in clear sight and their importance duly considered. We will see that Locke deals directly with the critical exceptions of land and money.

Locke's strongest statement of what looks to be a *labor theory of value* is this: "For 'tis *Labour* indeed that *puts the difference of value* on every thing" (§40, 296). Locke allows to labor 9/10 (§40), 99/100 (§40), or even 999/1000 (§43) of things' value. "Nature," "Land" or "the ground" represents the remaining fraction. Even that pittance, left alone, is worthless. Without labor to make use of it, ". . . the ground which produces the materials, is scarce to be reckon'd in, as any, or at most, but a very small, part of it; So little, that even amongst us, Land that is left wholly to Nature, that hath no improvement of Pasturage, Tillage, or Planting, is called, as indeed it is, *wast*; and we shall find the benefit of it amount to little more than nothing" (§42, 297). The sweetest berries are worthless on the bush, only the labor of putting them in one's mouth makes their value. Yet any close reader cannot help but see that Locke does not allow *all value to be from labor.* The idea of 999/1000, though it be separated from it by only a single unit, is as different from the idea of 1000/1000, "as the Magnitude of the whole Earth, is from that of a Mite" (*Essay* II, xvi, 3, 205). A sliver is always left for nature.

Before we consider land directly, there is another, very different, but not unrelated imputation to Locke of holding a kind of labor theory of value which requires our attention.

Existence as Labor. A more profound account of the role of labor in Locke's thought has to do with what an economist might call the roots of 'demand'. This attributes to Locke

---

[30]*SC*, 244.

the modern ontological doctrine that our very consciousness, which we experience as uneasiness, or desire, is in a deep sense entirely the product of our labor.[31]

Existence, or consciousness, for Locke, is the perception of ideas.[32] We have seen that in Locke's opinion, ideas themselves are present to our understanding, but their sources are not. Ideas themselves are of course only present *for the present,* i.e., instantaneously:

> Only as to things whose Existence is in succession, such as are the Actions of finite Beings, *v.g. Motion* and *Thought*, both which consist in a continued train of Succession, concerning their Diversity there can be no question: Because each perishing the moment it begins, they cannot exist in different times, or in different places, as permanent Beings can at different times exist in distant places; and therefore no motion or thought considered as at different times can be the same, each part thereof having a different beginning of Existence.
>
> §3. From what has been said, 'tis easy to discover, what is so much enquired after, the *principium Individuationis*, and that 'tis plain is Existence it self, which determines a Being of any sort to a particular time and place incommunicable to two Beings of the same kind. (*Essay* II, xxvii, 2–3, 329–30)

In the moment we see something we cannot doubt that it is when and where it is; it is itself. Yet our tacit attribution of identity, so tacit as to go unperceived, carries beyond the moment. "And in this consists *Identity*, when the *Ideas* it is attributed to vary not at all from what they were that moment, wherein we consider their former existence, and to which we compare the present" (*Essay* II, xxvii, 1, 328).[33] That is to say, even the identification of one idea with 'itself' in the next instant must already be the result of an unnoticed abstraction or generalization, an attribution to something not present. When

---

[31]It may be objected that nobody has ever held a pure account of existence as the labor of valuation: thinkers from Kant to Nietzsche and beyond all hold out from it in different ways. I would agree and would add that it is probably impossible to hold it consistently. We cannot help but take experience as in some sense given. But this does not mean that this account has not been powerful, if only in distorting and misleading ways.

[32]See *Essay* II, i, 1–4, 104–6 .

[33]Cf. *Essay* II, xvi, 1, 205.

we perceive a 'thing' as a unity across the myriad moments of our perception, we are already 'performing' an abstract generalization which adds something beyond the certain perceptions alone. Human consciousness, existence, is already, *somehow*, abstract. As temporal or sequential, it perceives in a train of isolated instants, but it immediately unites those things attended to under general ideas—in the simplest and most crucial case, as being self-identical over time.

Perceiving the unity of a thing over time requires the *willed* act of attending to it. As Locke says in the central section of the chapter on power, uneasiness alone is present to determine the will (*Essay* II, xxi, 38, 254). The presence of things to our abstract consciousness is, then, not at all simple. Their presence is accompanied by their absence—their unity over time cannot be simply present in any single moment.[34] It is this absence, or conversely considered, present lack, which is the uneasiness that may determine the will or choice. Our mental or physical action, where not constrained externally, follows our choice, or will, which is determined by some present desire or uneasiness. "[T]he chief if not only spur to human Industry and Action is uneasiness" (*Essay* II, xx, 6, 230).[35] Human consciousness, abstract consciousness, is *essentially* wanting.

Leo Strauss, on the basis of considerations similar to these, draws the following sweeping conclusions:

> Locke's teaching on property, and therewith his whole political philosophy, are revolutionary not only with regard to the biblical tradition but with regard to the philosophic tradition as well. Through the shift of emphasis from natural duties or obligations to natural rights, the individual, the ego, had become the center and origin of the moral world, since man—as distinguished from man's end—had become that center or origin. Locke's doctrine of property is a still more "advanced" expression of this radical change than was the political philosophy of Hobbes.

---

[34]See *Essay* II, vii, 2, 128–9.

[35]Cf. *Essay* II, xxi, 31, 251.

> According to Locke, man and not nature, the work of man and not the gift of nature, is the origin of almost everything valuable: man owes almost everything valuable to his own efforts. Not resigned gratitude and consciously obeying or imitating nature but hopeful self-reliance and creativity become henceforth the marks of human nobility. Man is effectively emancipated from the bonds of nature, and therewith the individual is emancipated from those social bonds which antedate all consent or compact, by the emancipation of his productive acquisitiveness, which is necessarily, if accidentally beneficent and hence susceptible of becoming the strongest social bond: restraint of the appetites is replaced by a mechanism whose effect is humane. And that emancipation is achieved through the intercession of the prototype of conventional things, i.e., money. (1953, 248)
>
> The primary fact is want. But this want, this lack, is no longer understood as pointing to something complete, perfect, whole. The necessities of life are no longer understood as necessary *for* the complete life or the good life, but as mere inescapabilities. The satisfaction of wants is therefore no longer limited by the demands of the good life but becomes aimless. The goal of desire is defined by nature only negatively—the denial of pain. (250)
>
> . . . Locke identifies the rational life with the life dominated by the pain which relieves pain. Labor takes the place of the art which imitates nature; for labor is, in the words of Hegel, a negative attitude toward nature. The starting point of human efforts is misery: the state of nature is a state of wretchedness. The way toward happiness is a movement away from the state of nature, a movement away from nature: the negation of nature is the way toward happiness. . . . Life is the joyless quest for joy. (250–1)

Strauss goes too far. We may well say that intellectual labor "*puts the difference of value* on every thing" (*2T*, §40, 296)—"The *3d.* [Act of the Mind] is separating them from all other *Ideas* that accompany them in their real existence; this is called *Abstraction*: And thus all General *Ideas* are made" (*Essay* II, xii, 1, 163)—but we cannot fairly say that this leads to understanding happiness as "a movement away from nature."[36]

---

[36]For compact accounts of the modern 'technological' understanding of existence, to which Strauss would entirely assimilate Locke, see Kojeve 1969, ch.1, or Heidegger 1977, ch.7; Cf. Zuckert 1994, 264–5; Weinberger (1988, 134–49) explains Locke's political economic teaching entirely in terms of the technological understanding of human being, without painting it as simply vicious. The present interpretation holds back from asserting with Weinberger that for Locke "the good is an inseparable and immanent cause of both making and doing" (144). Here the separability of the good remains a question for Locke in the same way that the essence of the soul does.

Man can no more provide his own simple ideas, than he can create matter *ex nihilo*: "This shews Man's Power and its way of Operation to be muchwhat the same in the Material and Intellectual World. For the Materials in both being such as he has no power over, either to make or destroy, all that Man can do is either to unite them together, or to set them by one another, or wholly separate them" (*Essay* II, xii, 1, 163–4). Just as in political economy, where nature or land, stands for the object of unlabored upon, undifferentiated desire, in epistemology the first source of our undifferentiated experience remains both crucial, and unknowable. And though its portion may be minute, land is *as necessary* to the value of labor, as labor is to the value of land. The source or essence of existence is the 1/10, 1 /100, or 1/1000 that is *the great mystery*.[37] Neither Locke, nor the ancients to whom Strauss tacitly compares him, pretended apodictic certainty about the character of nature. Yet for *both* the *question* of nature remained of paramount relevance.

Strauss's deformation of Locke is built on the assumption that he knows what Locke means by 'self-preservation.' "What is necessary for self-preservation is not so much, as Hobbes may seem to have believed, knives and guns as victuals" (Strauss 1953, 235). Acquiring things useful for "comfortable self-preservation" is what Strauss takes to be the natural right of the pursuit of happiness in Locke. Where Locke says that every one "has a *Property* in his own *Person*" (*2T*, §27, 287), Strauss reads "Everyone is by

---

[37]It will be of interest to some readers to consider the character of *tacit consent* in Locke's system. It is often enough noted that the *contract* metaphor is misleading in the cases where consent is tacit. In the *Essay,* Locke employs the term for the consent to use the words which one finds already spoken in one's culture—this seems unavoidable. It is also there applied to the supposition that words actually refer to material things—this again is compelling to the extent that action is required of us. At the end of ch. 6 in *2T*, Locke mentions the tacit, and "scarce avoidable" consent of children, historically, to accept their father as ruler. All indicate forced choices—the conditions for the possibility of communal existence. Compare Kant on a priori synthetic judgments as the conditions for the possibility of experience.

nature the exclusive owner of his body. . ." (Strauss 1953, 236).[38]

If it is correct to take *self*, in Locke, to mean body, then this is already enough to dispense with the idea that Locke held a labor theory of value.[39] Unless one thinks that Locke believed that we each create even our hunger, our most basic hunger, or one thinks that it is not our hunger which causes us to believe in the value or power of food, one will not believe that man is the source of all value.[40]

Yet, even if there is reason to believe that Locke thought it probable that the self is essentially tied to the body, there is still every reason to believe that he suspended his final judgment in this matter. The brute fact of sound sleep stands in for whatever other considerations led Locke to this conclusion of probability. In the chapter "Of Modes of Thinking," Locke asks if it is not probable "that *thinking is the Action, not the Essence of the Soul*? Since the Operations of Agents will easily admit of intention and remission; but the Essences of things, are not conceived capable of any such variation" (*Essay* II, xix, 4, 228–9).[41] "Thus, methinks, every drowsy nod shakes their Doctrine, who teach, That the Soul is always thinking. Those, at least, who do at any time *sleep without dreaming*, can

---

[38]See *Essay* II, xx, 22, 503–4.

[39]*Essay*, II, xxvii, 26, 346: "*Person*, as I take it, is the name for this *self*." Zuckert (1994, 275–86) has a vastly refined account of the self and property from that which appears in Strauss's writings, based on the same view. He still does not allow charity to fill any of its "empty center" (285).

[40]Strauss perhaps acknowledges this when he says that man owes "*almost* everything valuable to his own efforts." It is possible that Strauss emphasizes what is modern in Locke because he saw it to be the effective truth of Locke's teaching. Strauss insisted that Locke's was an account of *right* in a way some later thinkers' accounts were not. See 1993, 97.

[41]Locke also mentions sleep in addressing the Cartesian doctrine that the soul always thinks, and questions the character of the ego at: I, I, 9–19, 108–116; I, xix, 226–9; and see also II, xxvii, 10, 335–6. For the fascinating practical role of sleep in Locke's thought, see *STCE* §§21–2, 14–17: "The great Cordial of Nature is *Sleep* (§22, 16); *Study*, 413: "This I'm sure, sleep is the great balsam of life, and restorative of nature."

never be convinced . . ." (*Essay* II, I, 13). Even if sleep alone does not prove conclusively that the essence of the soul is different from its action, in some things, the "bare possibility" (*Essay* II, xxi, 70, 281–2) ought to be enough to determine the will—or at least to suspend judgment (*Essay* II, xxi, 67, 278–9). In other words, Locke only allows himself an apparently dogmatic, circular account of existence as labor in the context of larger open questions regarding the source of existence and life themselves.[42] To ignore this is to ignore the role of liberty in Locke's political philosophy. It is to ignore the critical difference between Hobbesian and Lockean politics; only one of which may be called liberal.

To put this into terms closer to political economy, Locke considers it impossible to know that man can make *everything*. We cannot make by labor the most fundamental of our perceptions, desire itself, and the need to labor; although we may perhaps change them to an astonishing degree, we cannot create or dispense with the most essential aspects of our existence. It would not be accurate even to say that Locke considered labor to be what economists call a 'disutility,' as it must be considered by those who would have labor as simply opposite and balancing desire.[43] For Locke, the fact of labor, along with desire, is simply a feature of our given condition—our God-given condition. "God, when he gave the World in common to all Mankind, commanded Man also to labour, and

---

[42]Cf. Plato, *Phaedo*, 96a–99d. For a brilliant account of the historical closing of these questions within 'the academy,' see the account of Karl Lowith of the post-Hegelian transition from theology to anthropology, 1964 entire, esp. "The Problem of Man," 307–325. Regarding the present context it is interesting to consider Strauss's review of Lowith's book, 1959, 268–70, esp. the discussion of Rousseau and the problem of work on the last half page, wherein he mentions the role of "Locke's doctrine of labor as the origin of private right."

[43]This has interesting implications for the consideration of the labor market. For an account of the aporia of that field today, see Thurow 1984, ch.7.

the penury of his Condition required it of him" (*2T*, §32, 291).[44]

What accounts for the value of anything may or may not correspond to the labor that went into making it. There is no self-delusion in Locke that everything a person chooses to call labor—and this includes even the kind of effort which Locke himself valued most—would be similarly valued in the market; on the contrary, we have seen that he is explicit that the intrinsic and the market value of commodities diverge. We may not reasonably forget that Locke or anyone may choose another standard for himself than fashion or the market; but, if the intention of a person is to sell the product of their labor, then they must carefully judge what others desire. That this must normally be done allows for the crude application of the assumption that supply equals demand. Yet while all labor may be intended to alleviate uneasiness, it does not always do so. Perhaps even for most people, most of the time, labor is not remunerated according to the satisfaction expected. Even if great quantities of money or other property are received in exchange for one's labor, the property may be experienced as void, unsatisfying. As long as one looks primarily to the desires of others, which are essentially beyond one's own control, in order to appreciate one's own property, pursuit of it may indeed seem to be a joyless quest.[45] But this is not a fault of Locke's theory.

Unless the economist really thinks that *whatever* is constructed will be purchased, 'supply-side' economics must be 'demand-driven' economics, which chooses to ignore demand that does not conform to supply—either by not wanting what is made, and so not

---

[44]*Labor, 1693* "*We ought to looke on it* as a marke of goodnesse in god that he has put us in this life under a necessity of labour not only to keep mankinde from the mischeifs that ill men at leisure are very apt to doe. But it is a benefit even to the good and virtuous which are thereby preservd from the ills of Idlenesse or the diseases that attend constant study in a sedentary life" (493 emphasis added).

[45]For how this relates to 'the bourgeois soul,' see Bloom 1979, 5; Lowith 1964, all of Part II, especially Chapter I; Melzer 1990, 70–77; Nietzsche 1982, #105, 61.

"clearing markets," or wanting what cannot be made. Satisfaction with this evident lack of verisimilitude, where conscious, is perhaps due to the belief that there are no significant obstacles to supply responding to demand, that *everything* may be made.[46] It is not unlikely that it is more often unconscious or careless. Locke is relatively easily assimilated to this point of view, because he allows that it is mostly true, even 999/1000 true. But the cause of the primary fact of undifferentiated desire, the origin of consciousness, is unknowable for Locke.

Before leaving our consideration of the labor theory of value, it may be worthwhile to consider the attitude of Keynes toward it. Keynes devastatingly critiqued the economic labor theory of value, but in one decisive sense, it seems to me that his own thought remained tied to it. Keynes believed that the rentier phase of capitalism was unnecessary, and that capital might be produced at a rate at which it would soon cease to be scarce (1935, 376). That Keynes imagined scarcity vanquishable may be considered a holdover from the labor theory of value. For Locke, in the end, scarcity, insecurity, and

---

[46]It will perhaps be amusing to see how Locke's nineteenth century editor responded to Locke's avoidance of the radical or metaphysical labor theory of value. In *Conduct,* Locke recommends careful attention to what inquiry is proper to a given problem, because: "The multiplying variety of arguments, especially frivolous ones, such as are all that are merely verbal, is not only lost labour, but cumbers the memory to no purpose, and serves only to hinder it from seizing and holding of the truth in all those cases which are capable of demonstration." He begins this section where lost labor is considered, with the proverbial sentence: "Labour for labour-sake is against nature" (§16, 58). The editor, who is apparently a more modern man than Locke, notes: "This is the maxim of an indolent man, and examined by the strict rules of philosophy will turn out to be a mere fallacy; for in many things we may with an ancient writer repeat 'Labor ipsa voluptas.' In fact employment for employment's sake is so far from being against nature, that it is a thing we may every day witness, though I will not deny that there are seasons in which happiness appears to consist in the *dolce far niente."*

This criticism of Locke on radicalized Lockean grounds shows to just what extent people hold the metaphysical labor theory of value. It is this kind of *effective truth* of Locke, the mis-taking of his thought by later generations, that Strauss justly condemns.

uneasiness are the very hallmarks of human nature.[47] They may be lessened, and understood, one may even find freedom and a kind of happiness in them, although in Locke's estimation this is not likely to be anywhere near perfect or universal.[48] Overcoming scarcity entirely, once and for all, would be overcoming our given condition of consciousness. Unless an alternative consciousness is specifiable, this may only mean becoming unconscious.[49] It is finally this that accounts for Keynes' excessive optimism regarding the powers of government, in the absence of widespread beliefs that ground them, and his blindness to the related role of land in the political economy.

After having arrived, by way of an account of the 'mechanics' of the market, at the demonstration of the effect of an interest cap on trade, Locke begins in the next particular to indicate the development of the account of those aspects of human nature which limit the perfect operation of those mechanics.

LAND

13. That which raises the natural Interest *of Money, is the same that raises the Rent of Land, (i.e.) its aptness to bring in Yearly to him that manages it, a greater Overplus of Income above his Rent, as a Reward to his Labour. That which causes this in Land is the*

---

[47]Cf. Caffentzis (1989, 65–6, 211–13) who says that scarcity is not natural, but induced by money. It is an odd reading of Locke that entirely separates money from nature, human nature.

[48]On heterogeneity in this regard, and the charitable response to it, see *Paraphrase*, the paraphrase and notes to Romans 14.

[49]The reader may be familiar with the critique of Marx which ends the same way. If human consciousness is itself a kind of internal division—self-consciousness, I considering me—then the revolutionary overcoming of division, if truly radical must overcome this. The problem is that this self-consciousness, which is "false consciousness" is replaced by an unknown. Who knows how to see through communal eyes? For Locke, perfect communism must depend on perfect universal education. His hopes for social enlightenment were more judiciously modest than this.

greater quantity of its Product, in proportion to the same Vent of that particular Fruit, or the same quantity of Product, in proportion to a greater Vent of that single Commodity: but that which causes increase of Profit to the Borrower of Money, is the less quantity of Money, in proportion to Trade, or to the Vent of all Commodities, taken together, ET vice versa. (*SC*, 261–2)

Money is worth a higher price to the potential borrower in proportion to its likeliness to bring an income above the price of borrowing it. The same is true for land. Locke is greatly concerned in *Some Considerations* to protect the rents of the country's lands. He tells us here that, for farmed land, a higher price this year than last is due either to a greater quantity of product, while the vent of that product as a portion of the total trade stays the same—e.g., wheat sales in dollars make one half of all dollar sales, but this land produces a larger *portion* of all wheat than it did before; or else it is due to having the same quantity of product, while the vent of that product makes a greater *portion* of the total trade—e.g., this land produces the same *portion* of all the wheat as before, but wheat sales make a greater *portion* of all trade.[50] Elsewhere he carefully enumerates the causes of changing rents. One is that the land becomes barrener—there is a change in the natural productive capacity of the land. While this would be of great concern to the individual landlord, it "cannot be supposed general;" it is little different from the 'accidental' variation of crop yield due to weather. If the land has alternative uses, it is not relevant at all. The final consideration in his list has to do with the quantity of money in the country, or its total trade, a very important consideration to which we will soon arrive. The central consideration in Locke's enumeration is a list of causes which are "general," and relate

---

[50]It at first looks like *vent* must be *demand* in this particular, because, if it is taken as sales, then there at first seems to be a stark contradiction, which I have avoided in my restatement. Locke relies on the word "its" to avoid the contradiction regarding the quantity of product. In the first, "quantity of *its* product," is number of fruit, and in the second, "quantity of product" is total trade, so that greater vent of a commodity means a larger portion of total trade being spent on that product.

directly to products. These may be summarized as caused by changes in either fashion, technology, competition or government policy:

> Or the Rent of that Land is lessen'd. 1. Because the use of the Commodity ceases: As the Rents must fall in *Virginia*, were taking of Tobacco forbid in *England*. 2. Or because something else supplies the room of that Product: As the rate of Copis-lands will fall upon the discovery of Coal Mines. 3. Or, because the Markets are supplied with the same Commodity, cheaper from another place. As the breeding Countries of *England* must needs fall their Rents, by the importation of *Irish* Cattle. 4. Or, because a Tax laid on your Native Commodities, makes what the Farmer sells, cheaper; and Labour, and what he buys dearer. (*SC*, 289)

All of these will change the vent of the product of the land. That is, they will change the portion all the money traded in the country which is designed for the product of that land. It is worth noting that the first and fourth are exemplified by conditions implying changes in government policy. It may also have a hand in the others.

In particular thirteen we see that "[t]hat which raises the natural *Interest* of Money, is . . . its aptness to bring in Yearly to him that manages it, a greater Overplus of Income above his [Interest], as a Reward to his Labour." What causes this "is the less quantity of Money, in Proportion to Trade, or to the Vent of all Commodities taken together, *Et vice versa*." If we think of money in its exchange function, and read the quantity of money to include its velocity of circulation, then the statements in particular thirteen will not make sense. The quantity of money will be *equal* to the total trade, or "the Vent of all Commodities, taken together." This ratio is an unchanging unity. However, in regard to interest, money must here be considered in its storage function for the individual. Since it is metal coins, the sensible referent, that stores value for a person, by promising future trades, money here must mean these coins.

The quantity of coin *may* change in relation to the total trade of a country, if their velocity also changes. If there is less metal in proportion to trade, then the coin must

serve more credit.[51] If the product of metal and velocity does not change, if total trade remains unchanged, then the price paid for borrowing money will be in a negative proportion to the quantity of metal circulating. As metal leaves circulation, as it is exported or hoarded, borrowers raise the price they will pay to induce hoarders to let some more go to keep the trade moving. As long as the interest rate may float, the velocity of money—credit—can at least partially compensate for changes in the quantity of metal circulating. As money leaves, the interest rate will rise to induce more lending; more people can then borrow and, if their industry thrives, this greater economic activity will pull money back; interest rates will then fall. So far this seems to be a recursive

---

[51]The division between money and credit may well seem odd to the reader who keeps in mind that Locke in effect says that the intrinsic value of money, equal to its quantity of silver, derives from the common trust, or *credit*, that mankind places in it. Locke uses precisely this ambiguity to separate his readers. The difference between money and credit is one of degree and has to do with time, as we see in this passage concerning the amount of money necessary to drive the trade:

"To return to the business in hand, and shew the necessity of a *Proportion of Money to Trade*. Every Man must have at least so much Money, or so timely Recruits, as may in hand, or in a short distance of time, satisfie his Creditor who supplies him with the necessaries of Life, or of his Trade. For no body has any longer these necessary Supplies, than he has Money, or *Credit*, which is nothing else but an Assurance of Money in some short time. So that it is requisite to Trade that there should be so much Money, as to keep up the Landholders, Labourers and Brokers Credit: And therefore ready Money must be constantly exchang'd for Wares and Labour, or follow within a short time after" (*SC*, 235).

The reader is at first dismayed when Locke, after taking some pains to estimate the amount of coin necessary to "drive the trade," suddenly doubles his estimate (Cf. Vaughn 1980, 43). We may now see that he does so because he knows that the key 'variable' involved is not the quantity of metal, but the degree to which people feel secure to let it loose into trade; or the extent to which people feel secure enough to count the expected value of the return of their money in the future, plus interest, as being at least equivalent to holding it in their hands. The same problem of dividing money and credit is visible in the sometimes nebulous problem of dividing our money supply into M1, M2, etc. Keynes (1935, 167): "Without disturbance to this definition, we can draw the line between 'money' and 'debts' at whatever point is most convenient for handling a particular problem." See also (247) for Keynes' very sensible discussion of the role of experience and intention such judgments of division.

account of an equilibrating economy. Full consideration of this question must await consideration of international relations, which will be the topic of the next chapter.

These different accounts of the causes of rent and interest do not make clear in what way the two prices are the same. If there were one key to understanding *Some Considerations*, and the genius of Lockean politics in general, it would lay in understanding the relation between the interest rate and land rent, or more generally, between money and land. In *Some Considerations,* a book nominally about interest and money, Locke spends a great deal of time discussing land rents, directly or indirectly, and he seems to orient his presentation to the interests of landowners. In the *Two Treatises* he calls land ownership "the great incentive" to children obeying parents, and it makes a critical piece of his teaching of the role of the family in the modern state. He even sometimes calls inheritance a second *natural right.* The relation of money and land ultimately entails Locke's understanding of the connection between convention and nature. The character of this connection will not yield to superficial analysis.

We have already seen that the intrinsic, or subjective, value of *any* thing depends in large part on the ability we collectively have to use our reason to invent uses for it which are not directly accessible to our senses. If we recall Locke's discussion of the state of nature in the *Second Treatise*, we are reminded that before the common invention of money, there was no assurance of being able to sell the product of our labor, above what we could consume. Unless a person is assured the possibility of trading away what his own family does not consume, it is "useless, as well as dishonest, to carve himself too much, or take more than he needed" (*2T*, §51, 302).[52] Under those conditions, labor performed was labor spent, its product lost if not consumed. Before labor can be stored, before the possibility of future trade is secured by the existence of a "common barter," we

---

[52]Cf. *2T*, §37, 294; §46, 300.

have no incentive to mix our labor with more than we can eat or wear, etc. The reasonable hope for future trade, which comes with money, allows us reasonably to put labor into things which are not directly useful to us, but which we believe will be useful to someone else. Speaking metaphorically, money makes possible the storage of labor.[53]

What makes trade possible allows for giving *abstract* value to things; 'exchange value,' a value different from their direct use. The very existence of this exchange, or market value, inflects back into the value of things for individuals directly, their intrinsic value. In changing the intrinsic value of things, money—or the conditions for its possibility—gave birth to 'evil Concupiscence' (*2T*, §111, 342).[54] This is not to say that the intrinsic value of most things becomes simply equivalent to their market value—'natural' uses remain, or, not all concupiscence is necessarily evil, not all *amor habendi* is necessarily *sceleratus.* It is to say only that intrinsic value may now *include* market value as a consideration.

On the other hand, *money's* intrinsic value is exactly its market value. Money, by its scarcity, durability and conventional general use, is a promise of what we may need in the future. As such money represents security. Only when such a promise exists does any extensive ownership of land become valuable:

Where there is not something both lasting and scarce, and so valuable to

---

[53]It is important to remember that this is only a metaphor. Labor is 'stored' because of a general trust in the continuing desire for money as a universal commodity. The desire is more directly stored, but even that only by a convention which anyone may freely neglect.

[54]One may legitimately wonder exactly what man is for Locke before he is capable of inventing money, though it is impossible to know, and irrelevant to properly *human* nature: "If it may be doubted, Whether *Beasts* compound and enlarge their *Ideas* that way, to any degree: This, I think, I may be positive in, That the power of *Abstracting* is not at all in them; and that the having of general *Ideas*, is that which puts a perfect distinction betwixt Man and Brutes; and is an Excellency which the Faculties of Brutes do by no means attain to" (*Essay*, II, xi, 10, 159). *Idiots* are perhaps weak in this faculty; *mad men* are not. (*Essay* II, xi, 13, 160–1). cf. II, xxxiii, 3–4, 394–5; *2T*, §§103–4, 336.

> be hoarded up, there Men will not be apt to enlarge their *Possessions of Land*, were it never so rich, never so free for them to take. For I ask, What would a Man value Ten Thousand, or an Hundred Thousand Acres of excellent *Land*, ready cultivated, and well stocked too with Cattle, in the middle of the in-land Parts of *America*, where he had no hopes of Commerce with other Parts of the World, to draw *Money* to him by the Sale of the Product? (*2T*, §48, 301)
>
> Find out something that hath the *Use and Value of Money* amongst his Neighbours, you shall see the same Man will begin presently to *enlarge* his *Possessions*. (*2T*, §49, 301)

Only the being able to put land into a tradeable form makes it seem reasonable to enclose a great deal of it. This enlarging of possessions apparently entails the enlargement of whatever family existed before the invention of money. Locke explicitly links the fixing of property in land with population growth, which he in turn links with political incorporation:

> Men, at first, for the most part, contented themselves with what unassisted Nature offered to their Necessities: and though afterwards, in some parts of the World, (where the Increase of People and Stock, with the *Use of Money*) had made Land scarce, and so of some Value, the several *Communities* settled the Bounds of their distinct Territories, and by Laws within themselves regulated the Properties of the private Men of their Society, and so, *by Compact* and Agreement, *settled the Property* which Labour and Industry began; and the Leagues that have been made between several States and Kingdoms, either expresly or tacitly disowning all Claim and Right to the Land in the others Possession, have, by common Consent, given up their Pretences to their natural common Right, which originally they had to those Countries, and so have, by *positive agreement, settled a Property* amongst themselves, in distinct Parts and parcels of the Earth; yet there are still *great Tracts of Ground* to be found, which (the Inhabitants thereof not having joyned with the rest of Mankind, in the consent of the Use of their common Money) *lie waste*, and are more than the People who dwell on it do, or can make use of, and so still lie in common; Tho' this can scarce happen amongst that part of Mankind that have consented to the Use of Money. (*2T*, §45, 299)[55]

Once the money convention has been consented to, some inexorable necessity would appear to precipitate the immediate fixing of property in land, and political

---

[55]Cf. *2T*, §38, 295–6.

incorporation.[56] Land may still 'lie waste,' but someone will own it. Once the storing up against future material insecurity becomes thinkable, with the invention of money, land becomes valuable as the most general form of such security. Money and land merge in an ambiguous way. In the *Second Treatise,* where priority is given to considering the 'original' of civil society, money is treated as being made to be productive like land. In the security and peace of a well-governed commonwealth, it could be said that the quantity of land is potentially limitless because, although the most physically fixed land is all occupied, the availability of money to borrow at reasonable rates allows some to get whatever land and or tools they need to carry on their profitable business, to acquire property by their labor. The greater the overall security, the less will be charged for the availability.[57] In *Some Considerations*, on the other hand, where priority is given to practical ends, land is treated as becoming like money—a place to store one's security.[58] Earlier in *Some Considerations*, Locke had taken a moment to justify the existence of the interest rate against the opinions of "some over-scrupulous Men." He begins by announcing that we will next see how money "comes to be *of the same Nature with Land*, by yielding a certain yearly Income, which we call *Use* or *Interest.* For Land produces

---

[56]If our nature before money was not human, then human nature seems strictly political. On the other hand, money seems clearly pre-political in Locke's account. This amounts to the same critical ambiguity regarding language mentioned above (p.124, n.11). See Mansfield (1979, 28–36) for a somewhat different account of the ambiguously natural origin of property. Ambler (1985) points out a not entirely dissimilar, one might say reciprocal, ambiguity in Aristotle.

[57]Where the 999/1000 of value depends on convention, therefore on peace, the land is still valuable without peace. Yet this is a *post*-civil situation, and the degree of that value is questionable. Cf. *2T* 184.

[58]Benjamin Franklin employs the happy phrase 'Coined Land' to describe the paper money for which he is advocating (Franklin 1959, 151). Franklin does not deal with matters of credit expansion in the manner of Locke. He was, in his youth at least, an unabashed inflationist.

naturally something new and profitable, and of Value to Mankind; but Money is a barren thing, and produces nothing, but by Compact transfers that Profit that was the Reward of one Mans Labour into another Man's Pocket" (*SC*, 249–50). This apparent approval of the scholastic emphasis on the barrenness of money seems to give a higher status, a greater naturalness to land. To be of value, money must assimilate itself to land. This is misleading; from here on, Locke turns this argument on its head. It turns out not to be the natural productivity of land which brings rent, but its unequal distribution:

> That which occasions this, is the *unequal Distribution* of Money; which Inequality has the same effect too upon Land, that it has upon Money. For my having more Money in my Hand than I can, or am disposed to use in buying and selling makes me able to lend: And another's want of so much Money as he could employ in Trade, makes him willing to borrow. But why then, and for what Consideration doth he pay *Use*? For the same Reason, and upon as good Consideration, as the Tenant pays Rent for your Land. For as the unequal distribution of Land, (you having more than you can or will manure, and another less) brings you a Tenant for your Land; and the same unequal Distribution of Money, (I having more than I can or will employ, and another less) brings me a Tenant for my Money: So my Money is apt in Trade, by the Industry of the Borrower, to produce more than Six *per Cent.* to the Borrower, as well as your Land, by the Labour of the Tenant, is apt to produce more Fruits, than his Rent comes to; and therefore deserves to be paid for, as well as Land, by a Yearly Rent. For though the Usurer's Money would bring him in no Yearly profit, if he did not lend it, (supposing he employs it not himself) so his Six *per Cent.* may seem to be the Fruit of another Man's Labour, yet he shares not near so much of the profit of another Man's Labour, as he that lets Land to a Tenant. For without the Tenants Industry (supposing as before, the owner would not manage it himself) his Land would yield him little or no Profit. So that the Rent he receives is a greater Portion of the Fruit of his Tenants Labour, than the *Use* is at Six *per Cent.* For generally he that borrows One thousand pounds at Six *per Cent.* and so pays Sixty pounds *per Annum Use*, gets more above his *Use* in one Year, by his Industry, than he that Rents a Farm of Sixty pounds *per Annum* gets in two, above his Rent, though his Labour be harder.
>
> It being evident therefore, that he that has skill in Traffick, but has not Money enough to Exercise it, has not only reason to borrow Money to drive his Trade, and get a livelihood; but as much Reason to pay *Use* for that Money; as he, who having skill in Husbandry but no Land of his own to employ it in, has not only reason to Rent Land, but to pay Money for the *Use* of it; It follows, that Borrowing Money upon *Use* is not only by the necessity of Affairs, and the Constitution of Humane Society, unavoidable to some Men, but that also to receive Profit for the Loan of Money, is as equitable and lawful, as receiving Rent for Land, and more tolerable to the Borrower, notwithstanding the Opinion of some over-scrupulous Men.

(*SC*, 249–51)[59]

When we look more closely at Locke's introduction of this argument we see that he does not say that either land or money is more natural, rather he uses an ambiguous construction; he will show us "*how* it [money] comes to be *of the same Nature with Land*" (*SC*, 249). Land alone, as we have seen, did no merit enclosing. Only with money does enclosing and unequal distribution ensue.

Locke goes on from this to question why, given this relationship, the then commonly maintained relationship did not exist between the interest rate and land prices. Many held that the purchase price of land, discussed in the old fashion as 'years purchase', ought to be a perfect reciprocal of the interest rate.[60] Locke himself had argued as much in his early writings.[61] The mature Locke grants only the general trend:

> I grant his Position, That *where Money is dear, Land is cheap*, and *vice versa*. But it must be so by the natural, not legal *Interest*. For where Money will be lent on good Security at 4 or 5 *per Cent*. 'tis Demonstration, that there is more than will be ventured on ordinary Credit in Trade. And when this Plenty becomes general, 'tis a sign, there is more Money, than can be imployed in Trade; which cannot but put many upon seeking Purchases, to lay it out in Land, and so raise the Price of Land, by making more Buyers, than Sellers. (*SC*, 302–3)

Two considerations are necessary in order to understand why the proportion is not perfect. First, we must consider why it is not the legal, but the natural rate of interest which is concerned in the proportion; or, whether, and if so, how, civil laws can count as security. Second, we must ask what it is that determines the choice to hold security in land versus money.

---

[59]On the "Constitution of Humane Affairs," see *Essay*, I, iii, 24, 82; and IV, xx, 2, 707.

[60]Cf. Petty 1927, 1:247; Kelly 1991, 81–2, 128; Harpham 1985, 577–8; Habakkuk (1952, 26) explains that land which was worth £100 annual rent—"rack rent"—if purchased for £2000, was said to be bought for 20 years purchase.

[61]*EW*, 183–4.

Since it is the desire for security that determines how much money will be available for borrowing at a given rate, unless changing the legal rate changes this desire in the right direction—which it will not—it will distort the normal relation of the interest rate to security. "[T]he rate of Money does not follow the Standard of the Law, but the price of the Market; and Men not observing the legal and forced, but the Natural and Current *Interest* of Money, regulate their Affairs by that" (*SC*, 246–7). Land prices, which are also determined by the desire for security, will not have been distorted, and so whatever 'natural' relations may exist between interest rates and land prices will be changed.

This does not mean that the government is helpless to aid in creating the conditions under which both the interest rate and land values will change in the commonly desired directions. The first time that Locke mentioned 'natural use,' he defined it to be "that Rate of Money which the present Scarcity of it makes it naturally at, upon an equal Distribution of it" (*SC*, 216). We have now seen that the very existence of the interest rate requires *unequal* distribution. If this is not a contradiction, then Locke means something different by either *natural*, or *distribution*. It appears that it is the latter which he uses differently in the two statements. By 'equal distribution', in the definition of 'natural use', he seems to mean distribution among the parts of the country. Locke will surprise the reader toward the end of *Some Considerations* when he advocates *keeping* a legal cap on the interest rate, after his arguments would seem to work against that conclusion. He gives the following as one of his two reasons:[62]

> That in the present current of running Cash, which now takes its course almost all to *London*, and is Ingrossed by a very few Hands in Comparison, young Men, and those in Want, might not too easily be exposed to Extortion and Oppression; and the dextrous and combining

---

[62]The other reason for a legal rate is to settle contract disputes where a rate is not stated in the contract, so that "the law might give a Rule, and Courts of Judicature might know what Damages to allow. This may, and therefore should, be Regulated" (*SC*, 282).

> Money Jobbers not have too great and unbounded a Power, to Prey upon the Ignorance or Necessity of Borrowers. There would not be much danger of this, if Money were more equally distributed into the several quarters of *England*, and into greater number of Hands according to the Exigencies of Trade. (*SC*, 282)

Against the harm of unequal geographical distribution he recommends direct loans when possible. "But when a kind of Monopoly, by consent, has put this general Commodity into a few Hands, it may need Regulation" (*SC* 283). The end and limits of government are defined by the security of property.[63] In this case, consent moved by 'Ignorance or Necessity' does not enjoy privilege against the *salus populi*. Regulation of banking and other monopolies may be necessary to the common good.[64] This would seem to be part of government's "natural" role in the determining the interest rate.

It is not the only part. Anything that the government does to provide or promise security may have salutary effects on trade, by encouraging investment and lending. Early in *Some Considerations* Locke has told us that the natural interest is raised two ways: "First, When the Money of a Country is but little in proportion to the Debts of the Inhabitants one amongst another," and "Secondly, . . . when Money is little in proportion to the Trade of a Country" (*SC*, 217–8). Having come to realize that all trades must be carried out by coin or credit, we now see that in an isolated economy these two ways of raising interest would be identical. With a given quantity of coin, increasing trade requires increasing credit, which is the increasing of trust and security. Whatever the government does to provide a secure trade environment alters the terms of the tradeoff

---

[63]*2T*, §94, 330–1, and passim.

[64]Regarding monopolies, cf. *SC*, 236–8. Petty recognized that interest rates could diverge from rents, but only due to differing risk. (cf. *SC*, 284) The natural rate of interest for Petty is "where security is undoubted" (1899, 48). His 'inherentist' understanding of land's worth prevents him from seeing the full extent of the relationship between rent and interest, cf. 44–7. Franklin (1959, 154) has, presumably in accordance with the mores of his day, simply copied Petty without attribution into the text of his pamphlet at this point.

between money and land.

Another way that the government can alter this tradeoff is to provide another option for secure investment. Against those who use Holland as an example of the good effects of lowering the legal interest rate, Locke turns to Holland to show that they did not simply legislate a lower cap, but rather, under the tutelage of "John" de Witt,[65] supplied another form of security—government debt—at a lower rate. This competition drove down the market rate of other forms:

> I grant that low *Interest*, where all Men consent to it, is an advantage to Trade, if Merchants will regulate their Gains accordingly, and Men be perswaded to lend to them: But can it be expected, when the Publique gives Seven, or Eight, or Ten *per Cent.* that private Men, whose Security is certainly no better, shall have it for Four? And can there be any thing stranger, than that the same Men who look on, and therefore allow high *Use* as an encouragement to lending to the *Chequer*, should think low *Use* should bring Money into Trade? The States of *Holland* some few Years since, paid but Four *per Cent.* for the Money they owed: If you propose them for an example, and *Interest* be to be regulated by a Law, try whether you can do so here, and bring Men to lend it to the Publique at that Rate. This would be a benefit to the Kingdom, and abate a great part of our publique Charge. If you cannot do that, confess, that 'tis not the Law in *Holland* has brought interest there so low, but something else, and that which will make the States, or any body else pay dearer now, if either their Credit be less, or Money there scarcer. (*SC*, 288)

The effect of lowering the rate on government securities will not be identical in England to what it was in Holland, because of the different availability of land in England. In Holland the government may have a greater effect on "the natural Course of things" (286), because in Holland there is a great deal of money, in proportion to the available land:

> *Holland* is a Country where the Land makes a very little part of the Stock of the Country. Trade is their great Fund and their Estates lie generally in Money: So that all, who are not Traders, generally speaking, are Lenders: Of which there are so many whose Income depends upon *Interest*, that if the States were not mightily in Debt, but paid everyone their Principal, instead of the Four *per Cent. Use*, which they give, there would be so much more Money than could be used, or would be ventured in Trade, that

---

[65]Jan De Witt (1625–1672), Grand Pensioner of Holland (1653–72).

> Money there would be at Two *per Cent.* or under, unless they found a way to put it out in Foreign Countries. (*SC*, 286–7)

In England, where the "great Fund is Land" (278), the effect of lowering the rate on government security will rather "abate a great part of our publique Charge." Land being more trusted than the government, and being in relatively plentiful supply, lowering the government rate will lead to people shifting investments into land. Only in a place like Holland, with little and insecure land, is lending to the government the best alternative to lending to private men.

Lowering the legal rate of interest is the worst kind of crude legislation; the kind that Plato compared to cutting off the heads of a hydra.[66] It ignores what are the natural motivating forces in people. By trying to force actions upon people who do not have the beliefs required to sustain them, it only breeds new behaviors that the government will then respond to with perhaps still more harmful legislative 'solutions.' Rather than obeying such ill-conceived laws, the value of land will still respond to the effect on the natural interest, among other things, which is quite the reverse of what the makers of the law intend.

This brings us to the question of the basic character of that natural response—the consideration necessary to understanding why even the 'natural' interest rate keeps no fixed proportion to land rents. What is it in people that determines the choice to hold security in land versus money? It appears that Locke believes that people buy land only after they have so much money that they don't know what else to do with it: "Buying of Land is the result of a full and satiated Gain: And Men in Trade seldom think of laying out their Money upon Land, till their Profit has brought them in more, than their Trade can well employ; and their idle Bags cumbring their Counting Houses, put them upon emptying them on a Purchase" (*SC*, 271). This alone, however, would hardly account for

---

[66]*Republic* 426e. Cf. Rousseau 1978, 217.

the purchase of land. If a man is skilled enough to build his fortune so far, he would surely be able to do so further with more money to employ; we know that lending, to the government or to others, is an available option. Perhaps much greater material wealth will not significantly increase his overall security? In the end, of course, the finitude of human life seems to set a limit on physical security. It seems to be this consideration that makes land the best alternative against the prospect of one's diminishing natural powers, thereby limiting the government's ability to encourage other alternatives. In another part of *Some Considerations*, Locke tells us that where manufacturing is thriving, land will be more expensive:

> Because there (Men thriving and getting Money by their Industry, and willing to *leave their Estates to their Children in Land, as the surest, and most lasting Provision, and not so liable to Casualties as Money in untrading or unskilful Hands*) there are many Buyers ready always to Purchase, but few Sellers. For the Land thereabout being already possessed by that sort of Industrious and Thriving Men, they have neither need, nor will, to Sell. In such places of Manufacture, the Riches of the one not arising from the squandring and waste of another, (as it doth in other places where Men live lazily upon the Product of the Land) the Industry of the People bringing in increase of Wealth from remote Parts, makes plenty of Money there without the impoverishing of their Neighbours. And when the thriving Tradesman has got more, than he can well employ in Trade, his next Thoughts are to look out for a Purchase, but it must be a Purchase in the Neighbourhood, where the Estate may be under his Eye, and within convenient distance, that the Care and Pleasure of his Farm may not take him off from the Engagements of his Calling, nor remove his Children too far from him, or the Trade he breeds them up in. (*SC*, 253–4)

It seems that land is held as the best security for one's children and future generations. Here the tradesman's desire for gain is not satiated, but only transferred in part to another aspect of his security. Land is viewed as more likely to endure in its value, with less regard to the vicissitudes of management or government. If one could be certain that the only pleasure possible was attached to this corporeal existence, the desire to extend security beyond it might seem to be madness. But then, if unquestionable certainty were the limit of reason, then expecting any security at all may seem to be madness. We all do

in fact seem to hope for some security.

In order to fully explore the critical role which inheritance plays in Locke's political theory, one must turn to the *Two Treatises*. He there sometimes calls the right of a child to inherit his parents' property the second natural right, after self-preservation.[67] It does not seem to be only convention that gives children the default right to parents' property upon their death. If this were the case:

> it would make but a positive and not a Natural Right of Children to Inherit the Goods of their Parents: But where the Practice is Universal, 'tis reasonable to think the Cause is Natural. The ground then, I think, to be this. The first and strongest desire God Planted in Men, and wrought into the very Principles of their Nature being that of Self-preservation, that is the Foundation of a right to the Creatures, for the particular support and use of each individual Person himself. But next to this, God Planted in Men a strong desire also of propagating their Kind, and continuing themselves in their Posterity, and this gives Children a Title, to share in the *Property* of their Parents, and a Right to Inherit their Possessions. (*1T*, §88, 206–7)[68]

Inheritance is "no small Tye on the Obedience of Children" (*2T*, §73, 315). It is not an incentive that is restricted to parents, but it is most commonly employed by them, following nature's indications.[69] In Locke's account, the employment of this power in the first place is used to encourage obedience in education, but it may be otherwise used. When commonwealths were first formed by men to secure their properties, they placed all of their land unalterably under the regulation of the legislative power of the community:

> *Whoever* therefore, from thenceforth, by Inheritance, Purchase, Permission, or otherways *enjoys any part of the Land*, so annext to, and under the Government *of that Commonwealth, must take it with the*

---

[67]Mansfield (1979, 36): "While money is the convention that permits property to be passed around, inheritance is the convention that permits it to be passed along."

[68]Cf. 1T 42, 89, 90, 2T Ch.6 entire. *2T*, 182: "His goods, which Nature, that willeth the preservation of all Mankind as much as is possible, hath made to belong to the Children to keep them from perishing, do still continue to belong to his Children." But cf. also *Essay* I, ii, entire, esp 3–4, 49; *Questions* 172–201.

[69]*2T*, §72, 314–5.

> *Condition* it is under; that is, *of submitting to the Government of the Commonwealth*, under whose Jurisdiction it is, as far forth, as any Subject of it. (*2T*, 120, 348)

One condition that should attach to all land ownership is express consent to be a full member of the community, with all the rights and obligations that entails.[70] By the act of accepting an inheritance, a naturally free child will be "perpetually and indispensably obliged to be and remain unalterably a subject to it, and can never be again in the liberty of the state of Nature" (*2T*, §121, 349):

> For this Son, when a Man, being altogether as free as the Father, any act of the Father can no more give away the liberty of the Son, than it can of anybody else: He may indeed annex such Conditions to the Land, he enjoyed as a Subject of any Commonwealth, as may oblige his Son to be of that Community if he will enjoy those Possessions which were his Fathers; because that Estate being his Father's Property, he may dispose or settle it as he pleases. (*2T*, §116, 346)

> . . . Commonwealths not permitting any part of their Dominions to be dismembred, nor to be enjoyed by any but those of their Community, the Son cannot ordinarily enjoy the Possessions of his Father, but under the same terms his Father did; by becoming a Member of the Society: whereby he puts himself presently under the Government, he finds there established, as much as any other Subject of that Commonwealth. And thus *the Consent of Free-men, born under Government*, which only *makes them Members of it*, being given separately in their turns, as each comes to be of Age, and not in a multitude together; People take no notice of it, and thinking it not done at all, or not necessary, conclude they are naturally Subjects as they are Men. (*2T*, §117, 346)

The desire for security through money and land aroused by recognition of the finitude of life, if wisely managed, gives the government some crucial control over the economy. Human nature, for Locke, does not simply establish the functioning of laws of desire in markets, the 'failure' of which the government is fabricated to alleviate, as the science of economics would understand the relationship between markets and governments. Rather, government is established through a natural capacity to contract, or come to terms, with one another, according to limits borne of the ultimate goal of the very same desires. This

---

[70]Riley (1982, 96) mystifyingly calls this "tacit" consent.

is not to claim that Locke denies the very real limits on political control over the economy. A comparison of Keynes' "Social Philosophy"[71] to Locke's political one, on the role of inheritance in civil society, may serve to make this point.

KEYNES

Keynes would like to see heavy inheritance taxes, or "death duties," which would replace other taxes in government revenue. Without the possibility of providing for their heirs' long-term security, people will tend to consume more, which will increase the incentive to invest and make the country rich:

> Thus our argument leads towards the conclusion that in contemporary conditions the growth of wealth, so far from being dependent on the abstinence of the rich, as is commonly supposed, is more likely to be impeded by it. One of the chief social justifications of great inequality of wealth is, therefore, removed. I am not saying that there are no other reasons, unaffected by our theory capable of justifying some measure of inequality in some circumstances. But it does dispose the most important of the reasons why hitherto we have thought it prudent to move carefully. This particularly affects our attitude towards death duties: for there are certain justifications for inequality of incomes which do not apply equally to inequality of inheritances.
>
> For my own part, I believe that there is social and psychological justification for significant inequalities of incomes and wealth, but not for such large disparities as exist to-day. There are valuable human activities which require the motive of money-making and the environment of private wealth-ownership for their full fruition. Moreover, dangerous human proclivities can be canalised into comparatively harmless channels by the existence of opportunities for money-making and private wealth, which, if they cannot be satisfied in this way, may find their outlet in cruelty, the reckless pursuit of personal power and authority, and other forms of self-aggrandisement. It is better that a man should tyrannise over his bank balance than over his fellow-citizens; and whilst the former is sometimes denounced as being but a means to the latter, sometimes at least it is an alternative. (Keynes 1935, 373–4)

There is much in this remarkable passage with which Locke would agree. However, it is not clear why Keynes rules out the usefulness of *inheritance* in controlling "dangerous

---

[71]Keynes, 1935, 372.

human proclivities." This difference seems to be related to another profound difference between Locke and Keynes. Keynes sees a clear practical limit on peoples' desires for self-preservation:

> I feel sure that the demand for capital is strictly limited in the sense that it would not be difficult to increase the stock of capital up to a point where its marginal efficiency had fallen to a very low figure. This would not mean that the use of capital instruments would cost almost nothing, but only that the return from them would have to cover little more than their exhaustion by wastage and obsolescence together with some margin to cover risk and the exercise of skill and judgment. (Keynes 1935, 375)[72]

Once the scarcity of capital has been overcome in its essential material aspect, there will be no need for the excessive private property which allows some to live parasitically off the labor of others:

> Now, though this state of affairs would be quite compatible with some measure of individualism, yet it would mean the euthanasia of the rentier, and, consequently, the euthanasia of the cumulative oppressive power of the capitalist to exploit the scarcity-value of capital. Interest to-day rewards no genuine sacrifice, any more than does the rent of land. The owner of capital can obtain interest because capital is scarce, just as the owner of land can obtain rent because land is scarce. But whilst there may be intrinsic reasons for the scarcity of land, there are no intrinsic reasons for the scarcity of capital. (Keynes 1935, 375–6)

Keynes goes on to say that a possible intrinsic reason for such scarcity— an intrinsic need for higher interest rates, would be that the *individual* propensity to consume stops people from saving before capital ceases to be scarce—but he insists that "it will still be possible for communal saving through the agency of the State to be maintained at a level which will allow the growth of capital up to the point where it ceases to be scarce" (376).

Keynes sees the paucity of accumulated capital assets as a problem caused by psychological variables—the 'propensity to consume' and liquidity preference'—which divert money from producing consumable commodities and capital, into a static sink like money or land. But we should ask what precisely is the difference between capital assets

---

[72]Cf. 221.

and land or money? The distinction must be premised on thinking of the value of capital assets as somehow real, and that of money and land as unreal. It requires thinking of *capital* as the product of *labor* as its *substantial* source or *material cause*. Keynes is misled because he stays within the confines of "capitalism." *Capital* is embodied or objectified labor. Because of this Keynes implicitly limits 'obsolescence' to physical decay. For Locke, valued objects are, in the first place, objects *of desire*. As such, to say that the multiplication of these objects would end their desirability, is nonsensical. Locke sees the essential character of material paucity as due to its subjective origins. In its own dimension, material paucity is insurmountable—no matter what we have, by virtue of our free imagination we are free to want much more. It would appear that it is Keynes' attachment to the 'hard-headed materialism' of his discipline which leads him to what Locke might sooner call 'soft-headed idealism'—and soft-headedness should not be confused with kindness.

For Keynes, the individual's desire for security induces him to hold his wealth in money[73] or government bonds which bring a fairly sure interest rate, instead of investing in new productive capital, only the accumulation of which will provide real security. Historically, he says, land served the same function that money and *securities* do today:

> It may be that in certain historic environments the possession of land has been characterised by a high liquidity-premium in the minds of owners of wealth; and since land resembles money in that its elasticities of production and substitution ["scarcity and general use"] may be very low, it is conceivable that there have been occasions in history in which the desire to hold land has played the same rôle in keeping up the rate of interest at too high a level which money has played in recent times. . . . For in earlier social organisations where long-term bonds in the modern sense were non-existent, the competition of a high interest-rate on mortgages may well have had the same effect in retarding growth of wealth from current investment in newly produced capital-assets, as high interest rates on long-term debts have had in more recent times.
>
> That the world after several millenia of steady individual saving, is

[73]Remember that holding money in a 'lending institution' is not simply hoarding, but lending it.

> so poor as it is in accumulated capital-assets, is to be explained, in my opinion, neither by the improvident propensities of mankind, nor even by the destruction of war, but by the high liquidity-premiums formerly attaching to the ownership of land and now attaching to money. (Keynes 1935, 241–2)

Keynes argues that the government can overwhelm this self-defeating desire for security by measures such as managing government debt and the money supply, spending on public works, and collecting high or total inheritance taxes. Government can thus keep interest rates too low to allow the diversion of funds from capital investment, until capital is plentiful. In a note to the first sentence of the last quotation, however, Keynes states that:

> The attribute of 'liquidity' is by no means independent of the presence of these two characteristics [low elasticities of production and substitution—"scarcity and general use"] For it is unlikely that an asset, of which the supply can be easily increased or the desire for which can be easily diverted by a change in relative price, will possess the attribute of 'liquidity' in the minds of the owners of wealth. Money itself rapidly loses the attribute of 'liquidity' if its future supply is expected to undergo sharp changes. (241n.1)

Unless Keynes believes that people in a hyper-inflating economy will cease to *desire* secure money, he is effectively acknowledging the permanence of want.[74] The garbage dumps of the world are strewn with what Keynes must define as capital. But old, 'outmoded' commodities are useless! *Obsolescence in its essence is not so much an attribute of things themselves, but of the attitude of people toward them.* Neither Keynes, nor anyone else, counts the 'junk' lying around from ages past as 'capital'. The state of fashion and technology, by their effects on subjective experience, determine what is highly valued, not the quantity of labor which has changed them from some natural state.

---

[74]It is possible that Keynes has just not thought the problem through to its ontological core. Consider, for example, what existence and time itself would have to be like in order to have a *negative* interest rate, as he once suggests (see 1935, 216). Conversely, Locke's having been consistent on this issue accounts for his assumption of what Vaughn calls "a wealth of investment opportunities" (1980, 70). The limits, for Locke, are elsewhere and require *care* for their maintenance.

Locke would say that Keynes underestimates the extent of man's natural freedom. Both man's "propensity to consume," and his "dangerous proclivities" are not susceptible to the limits he wishes upon them. The birth of "vain Ambition, and *amor sceleratus habendi*, evil Concupiscence . . . corrupted Mens minds into a Mistake of true Power and Honour." It also, we must add, "taught Princes to have distinct and separate Interests from their People." This situation taught men to "examine more carefully *the Original* and Rights of *Government*; and to find out ways to *restrain the Exorbitances*, and *prevent the Abuses* of that Power which they having intrusted to another's hands only for their own good, they found was made use of to hurt them" (*2T*, §111, 342–3).

Previously it was shown that Locke contended that ambitious men are, or may be, tied as full members to the commonwealth by laws regulating inheritance, which require their express consent. A theme underlying much of *Some Considerations* is the comparison of landholders to 'brokers' or 'merchants' as two types of men whose behavior is critical to the commonwealth, but who have very different intentions and effects on the common good. Locke encourages a patriotic respect for the landed man, as the ardent ally of the public at large. The landholder's interest is, or may be, closely related to the national political interest, that of the broker seems to be indifferent to or even to undermine the common good. It is the landholder, "who is the person, that bearing the greatest part of the burthens of the Kingdom, ought, I think, to have the greatest care taken of him, and enjoy as many Privileges, and as much Wealth, as the favour of the Law can (with regard to the Publick-weal) confer upon him" (*SC*, 280).

Far from seeking "the euthanasia of the rentier," Locke takes the inexorableness of ambition, whether it be mad or not, as an indication of the necessity of carefully satisfying it in return for patriotic care. Even if land were not already the greatest form of security, Locke may have promoted it as such, as a part of a healthy moral and political education, because it ties the most ambitious men to the concerns of the particular country

in a way that money, as such, does not. For example, while the landed themselves seem to think that what is good for them is high selling-prices for their land, Locke points out that this "gives the advantage not to the Landholder, but to him that ceases to be so" (*SC*, 281). He teaches them that the landed man's true interest is in having high rents: "An infallible sign of your decay of Wealth is the falling of Rents, and the raising of them would be worth the Nations Care: For in that, and not in the falling of *Interest* lies the true advantage of the Landed-man, and with him of the Publick" (288–9). It happens that what causes high rents is, above all, a thriving trade; but only when trade is properly managed. The landholder must understand trade so that he can see that it is turned to his own and the national interest:

> A general decay of Trade discourages Men from Purchasing: For this threatens an Universal Poverty, which is sure to fall first and heaviest upon Land. The Merchant who furnishes the improvident Landholder, will not fail to have Money for his Wares with Gain whether the Kingdom get by his Trade or no; and he will keep his Money rather employed in Trade, which brings him in profit, (for the Merchant may get by a Trade that makes the Kingdom Poor) than lay it out in Land, whose Rents he sees sinking, and foresees by the course of Trade, is likely to continue to do so: When a Nation is running to decay and ruin, the Merchant, and Monied Man, do what you can, will be sure to starve last: Observe it where you will, the decays that come upon, and bring to Ruin any Country, do constantly first fall upon the Land: And though the Country Gentleman, (who usually securely relies upon so much a Year as was given in at his Marriage Settlement, and thinks his Land an unmoveable Fund for such an Income) be not very forward to think so: Yet this nevertheless is an undoubted truth, that he is more concern'd in Trade, and ought to take a greater care, that it be well manag'd preserv'd, than even the Merchant himself. For he will certainly find, when a decay of Trade has carried away one part of our Money out of the Kingdom, and the other is kept in the Merchant and Tradesman's Hands, that no Laws he can make, nor any little Arts of Shifting Property amongst our selves, will bring it back to him again; but his Rents will fall, and his Income every day lessen, till general Industry, and Frugality join'd to a well order'd Trade, shall restore to the Kingdom the Riches and Wealth it had formerly. (*SC*, 271–2)

In exchange for receiving the greatest care of the kingdom, and the high rents from land that is made productive by trade, the landholders must dedicate themselves to maintaining and improving the good order of the country's trade. They should also *pay most or all*

taxes.[75] This is in part because of the logistical difficulty of taxing commodities, which would make it necessary "to watch every little Rivulet of Trade;" but more importantly, it is because the land bears the long-term cost of the tax anyway, and if it is born indirectly the whole trade suffers, if directly, trade thrives, giving the landlord a greater fund from which to pay it. If the tax on native commodities is one quarter of their price, the merchant will raise his prices by as much, and though he sells fewer, will not lose overall, because he will buy fewer. The merchant will not pay the tax. The laborer, who lives at subsistence level, cannot pay the tax. Wages, and prices to pay wages, will have to be increased in direct proportion to the tax charged if the laborer is to survive. The farmer, who rents the land and pays the laborer, will get the same price as before (since the increased portion of the price goes to pay the tax), and he will sell less of his product, "(since the Tax laid upon it makes People less forward to buy)" (275). He will therefore have to pay proportionally less rent, or he will break his lease contract and run, in the landlord's debt. In the end, the landowner pays. The tax on commodities is paid by the landholder as much as if he paid it directly, except that it also hurts trade and so diminishes his ability to pay it, while also weakening his country. "It is in vain in a Country whose great Fund is Land, to hope to lay the publick charge of the Government on any thing else; there at last it will terminate" (278). Paying the tax directly, on the other hand, does not squeeze the renting farmer in the same way, by raising prices to the consumer. It therefore gives the landholder a larger income from which to pay his one quarter tax: "So Trade flourishes, and his Commodities go off well, he will be able to pay his Rent on" (273).[76]

Perhaps to reinforce the landholder's interest in ordering trade, Locke later adds

---

[75]*SC*, 272–9.

[76]The influence, direct or indirect of Locke's thought on Rousseau is visible in his taxation recommendations at (1978, 230–36).

that having less money in the country can end very badly indeed. An irresponsibly laid tax, or anything else that unnecessarily sends away or 'locks up' a significant portion of the money needed to drive trade—lowering the interest cap, for instance—will start everyone on a scramble to not lose their share, to force the loss onto someone else:

> Indeed, People not perceiving the Money to be gone, are apt to be jealous one of another; and each suspecting anothers inequality of Gain to rob him of his share, every one will be imploying his skill, and power, the best he can, to retrieve it again, and bring Money into his Pocket in the same plenty as formerly. But this is but scrambling amongst our selves, and helps no more against our want, than the pulling of a short Coverlet will, amongst Children, that lye together, preserve them all from the Cold. Some will starve, unless the Father of the Family provide better, and enlarge the scanty Covering. This pulling and contest is usually between the Landed-man and the Merchant. For the Labourer's share, being seldom more than a bare subsistence, never allows that body of Men time or opportunity to raise their Thoughts above that, or struggle with the Richer for theirs, (as one common *Interest*,) unless when some common and great Distress, uniting them in one universal Ferment, makes them forget Respect, and emboldens them to carve to their Wants with armed force: And then sometimes they break in upon the Rich, and sweep all like a deluge. But this rarely happens but in the mal-administration of neglected or mis-manag'd Government. (*SC*, 290–1)[77]

This disaster comes about because of the landed man's misunderstanding of his own long-term best interest. He sees that the merchant and monied men do not suffer as he, and tries to keep up the value of his lands by enforcing a lower interest rate, which only exacerbates the bad situation. But it is not their cheating that reduces the value of land; it is his own failure to manage the country's trade. This neglect stems from the dissolute fashion which is beginning to take control of the English aristocracy and gentry. We will take this up in Chapter Five.

The next particular provides what Keynes called Locke's twin quantity theories of money, the connection of which Keynes thought Locke did not understand:

---

[77]This passage may be considered a reciprocal digression with final comment at *2T*, 42. There Locke digresses briefly to discuss economic power, here he does so to make a fence against revolution.

14. The Natural Value of Money, as it is apt to yield such an yearly Income by Interest, *depends on the whole quantity of the then passing Money of the Kingdom, in proportion to the whole Trade of the Kingdom, (i.e.) the general Vent of all the Commodities. But the natural Value of Money, in exchanging for any one Commodity, is the quantity of the Trading Money of the Kingdom, design'd for that Commodity, in proportion to that single Commodity and its Vent. For though any single Man's Necessity and Want either of Money, or any* species *of Commodity, being known, may make him pay dearer for Money, or that Commodity: Yet this is but a particular Case, that does not at the same time alter this constant and general Rule.*

The juxtaposition of these three sentences encourages us to compare the value of money for the borrower with its value in exchange, and to compare the particular situation with the aggregate. Superficial reading would allow one to believe that Locke has *twin quantity theories* of money which are locked together incorrectly. Keynes, in that case would be correct to say that Locke was confused about the relation between these two proportions. For such a reading to obtain, Locke's understanding of the economic system would have to have been *entirely* mechanical and recursive, with no allowance for the psychological dynamics which Keynes reminds us are at the heart of economics.[78]

But again, careful attention to capitalization and other details proves that Locke is not so facile. In the second sentence Locke uses *Trading Money* (coin times velocity), and connects the quantities with "is;" in the first sentence, the quantity is of *passing Money* (coin actually backing trades), and the connector is the indeterminate "depends on." In short, neither relationship is a *quantity theory* in the sense usually intended by that name. The second is a posteriori and definitional in such a way that the modern social scientist must perceive it as a "truism," or "uninteresting" (Hegeland 1969, 29). The first is a description of the dynamic interaction of two variables which do not necessarily make up a complete system, i.e., the interest rate may well "depend on" other things as well as the quantity of money. Just as in particular thirteen, the language of

---

[78]See e.g., Keynes 1935, 246–7.

"raising" and "causing increase" indicates that it is a dynamic process, not a determinate proportion that Locke has in mind. Locke has left a sliver of space in his text here for the activity of the more primary mover in the system—the perception of security.

The algebraic system of justice described by the market price formula yields more certain knowledge, is more scientific, than physics.[79] The market formula, as *made* of interrelated definitions, so long as it is not referred to any individual, a priori, may be perfectly known. To the extent that people fulfill the requirements of homogeneous components of a certain character "tapping in" to the system, it renders algebraic justice in fact. But economics is not, in fact, such a perfect system. The third sentence in particular fourteen highlights for us that the consideration of the role of security in Locke's economic system entails consideration of the relation between any particular person and the above aggregate rules. Our existence as desire, or insecurity, the dependence or openness of the self, is what ties people in to the market system. And it does not tie all in an identical way. People may be divided into classes by this consideration. To understand the differences among people in their expression of desire is to understand why the Lockean economy is truly *political economy.*

Locke is not blind to economic classes such as rich, poor and in-between, as they are usually understood, but he did not think such classifications paramount. Restricting the scope of economics to specifying rules about distribution among these classes did indeed provide it the appearance of a more exact science, but at the cost of disregarding critical questions. For example, let us glance at something Ricardo wrote to Malthus, on 9 October, 1820:

> Political Economy you think is an enquiry into the nature and causes of wealth—I think it should be called an enquiry into the laws which determine the division of the produce of industry amongst the classes who concur in its formation. No law can be laid down respecting quantity, but a

---

[79]Cf. *Essay* IV, iii, 18, 548–50; and IV, iii, 26, 556–7.

> tolerably correct one can be laid down respecting proportions. Every day I am more satisfied that the former enquiry is vain and delusive, and the latter only the true objects of the science. (in Keynes 1935, 4n.)[80]

In order for economics to achieve its scientific aspirations, according to Ricardo, it must ignore the situation of the country in relation to others—its 'wealth'—and limit its inquiry to the question of what determines its distribution among the 'socio-economic' classes of one country. This restriction makes the difference between economics, and political economy proper, which must include the concern for wealth, per se.[81]

People may also be divided into classes along different dimensions than those employed by Ricardo and his heirs. Sorts and kinds divide according to *intentions*,[82] and economic intentions are not the only ones, nor even the most important ones, for Locke. People may be divided, for example, by their differing opinions about what is good and right, or by the differing extent to which their intentions are in concert with the national interest. They may also be divided into friends and enemies.

Increasing security requires in the first place survival, hence the need to look beyond the national borders to threats to the country's existence. The science of economics pretends to transcend politics. National boundaries and governments come to sight as required only by anomalies or failures. Economics was perhaps granted the luxury of this neglect by the astonishing success of the Lockean teaching, which yielded the international gold standard.[83] The much-discussed failure of the nineteenth-century

---

[80]Cf. Ricardo 1951, 5.

[81]Vaughn's criticism that Locke "has no more than a dim perception of the role of price in allocating resources efficiently" is symptomatic of her overall approach to Locke as a 'social scientist' (1989, 45). It was from a political position that Locke created the illusion of the possibility of social science.

[82]Cf. e.g. *Essay* III, v, 7, 431–2.

[83]Keynes saw the role of the gold standard, and he saw the problems that were involved with it, but he perhaps misdiagnosed the causal relationship. See 1935, 333,

balance of power system may not have been due to the gold standard itself, but to the loss of the understanding which undergirded it. If so, this loss too may be partly ascribed to Locke's art in concealing his artfulness in his writing.

348–9, 381–2.

THESIS
4

MICHIGAN STATE UNIVERSITY LIBRARIES
3 1293 01581 4456

LIBRARY
Michigan State
University

PLACE IN RETURN BOX to remove this checkout from your record.
TO AVOID FINES return on or before date due.

DATE DUE	DATE DUE	DATE DUE

MSU is An Affirmative Action/Equal Opportunity Institution
c:\circ\datedue.pm3-p.1

Chapter Four

THE STERNNESS OF POLITICS

> Words *by long and familiar use, as has been said, come to excite in Men certain* Ideas, *so constantly and readily, that they are apt to suppose a natural connexion between them. But that they* signify *only Men's peculiar* Ideas, *and that* by a perfectly arbitrary Imposition, *is evident, in that they often fail to excite in others (even that use the same Language) the same* Ideas, *we take them to be the Signs of: And every Man has so inviolable a Liberty, to make Words stand for what* Ideas *he pleases, that no one hath the Power to make others have the same* Ideas *in their Minds, that he has, when they use the same Words, that he does. And therefore Augustus himself, in the Possession of that Power which ruled the World, acknowledged, he could not make a new Latin Word: which was as much as to say, that he could not arbitrarily appoint, what* Idea *any Sound should be a Sign of, in the Mouths and common Language of his Subjects. 'Tis true, common use, by a tacit Consent, appropriates certain Sounds to certain* Ideas *in all Languages, which so far limits the signification of that Sound, that unless a Man applies it to the same* Idea, *he does not speak properly: And let me add, that unless a Man's Words excite the same* Ideas *in the Hearer, which he makes them stand for in speaking, he does not speak intelligibly. But whatever be the consequence of any Man's using of Words differently, either from their general Meaning, or the particular Sense of the Person to whom he addresses them, this is certain, their signification, in his use of them, is limited to his* Ideas, *and they can be Signs of nothing else.*
>
> Essay III, ii, 8

Locke has shown us that the character of the intrinsic value of money arises from the character of human existence. As such, it transcends political boundaries. Yet we know that he has also indicated the, apparently contradictory, need for the government to take actions to secure money's value. With the fifteenth particular, Locke begins to indicate just how the character of international society affects the individual country. Fifteen is the longest of the particulars so far.

15. That supposing Wheat a standing Measure, that is, That there is constantly the same quantity of it in proportion to its Vent, we shall find Money to run the same variety of Changes in its Value, as all other Commodities do. Now that Wheat in England *does come nearest to a standing Measure, is evident, by comparing Wheat with other Commodities, Money, and the Yearly Income of Land in* Hen.7. *time and now. For supposing that* primo Hen.7. N. *let 100 Acres of Land to* A. *for 6* d. per An. per *Acre, Rack-rent; and to* B. *another 100 Acres of Land, of the same Soil and yearly worth with the former, for a Bushel of Wheat* per *Acre, Rack-rent, (a Bushel of Wheat about that time being probably sold for about 6* d.*) it was then an equal Rent. If therefore these Leases were for Years yet to come, 'tis certain that he that paid 6* d. per *Acre, would pay now 50* s. per An. *and he that paid a Bushel of Wheat* per *Acre, would pay about 25* l. per An. *which would be near about the yearly Value of the Land, were it to be let now. The reason whereof is this, That there being ten times as much Silver now in the World, (the Discovery of the* West-Indies *having made the Plenty) as there was then, it is Nine Tenths less worth now than it was at that time; that is, it will exchange for Nine Tenths less of any Commodity now, which bears the same proportion to its Vent as it did 200 years since; which, of all other Commodities, Wheat is likeliest to do. For in* England, *and this part of the World, Wheat being the constant and most general Food, not altering with the Fashion, nor growing by chance; but as thye Farmers sow more or less of it, which they endeavour to proportion, as near as can be guessed, to the Consumption, abstracting the Over-plus of the precedent Year in their Provision for the next; and* vice versa, *it must needs fall out, that it keeps the nearest Proportion to its Consumption, (which is more studied and designed in this than other Commodities) of any thing, if you take it for 7 or 20 Years together: Tho' perhaps the Plenty or Scarcity of one Year, caused by the Accidents of the Season, may very much vary it from the immediately precedent, or following. Wheat therefore, in this part of the World, (and that Grain which is the constant general Food of any other Country) is the fittest Measure to judge of the altered Value of things in any long tract of Time: And therefore Wheat here, Rice in* Turkey ETc. *is the fittest thing to reserve a Rent in, which is designed to be constantly the same for all future Ages. But Money is the Measure of the alter'd Value of things in a few Years: Because its Vent is the same, and its quantity alters slowly. But Wheat, or any other Grain, cannot serve instead of Money: Because of its Bulkiness and too quick Change of its quantity. For had I a Bond, to pay me 100 Bushels of Wheat next Year, it might be three Fourths Loss or Gain to me; too great an Inequality and Uncertainty to be ventured in Trade, Besides the different Goodness of several Parcels of Wheat in the same Year.* (*SC*, 262–4)

There is a lot going on in this particular. We can identify two main issues. First is the comparison of wheat and silver as measures of the change in the value of things. Second, and related to the first, is the change in the quantity of silver in England over two hundred years. Locke compares two commodities, silver and wheat, in their fitness to be used to measure the changes in value of other things, over the short- and long-term. Wheat, as the most general food in England, has the advantage of being produced in a quantity

which remains in constant proportion to its vent, on average, over the long-term. Looking at the money price of wheat over two hundred years, since the first year of the reign of Henry VII (1485), shows a tremendous change in the value of silver money in that time—a tenfold change.

Wheat works very well as one kind of measure—better than silver. Wheat, however, would not work as money "Because of its Bulkiness and too quick Change of its quantity . . . Besides the different Goodness of several Parcels"—i.e., because it is not sufficiently durable or scarce, portable or homogeneous. It is regularly consumed and susceptible to fluctuations in quantity and quality due to weather, soil, or other environmental conditions, and these will not affect all wheat identically. It is not even entirely immune to differences of fashion. The kind of stability that it has in the market is due to there being few obstacles to its production, so that farmers try to produce it in proportion to its consumption, which is relatively stable. Precisely because there are few obstacles to production, it would not work as a pledge; it would not hold value in a trustworthy way. Its consumption is stable, presumably, due to the basic nutritional requirements of a human body. If we presume that most people live at subsistence level, we can further suppose that the vent of wheat maintains a relatively fixed proportion to the population. Its price is quite literally the cost of living. The price of wheat serves as a 'grocery cart' indicator of inflation, like the Consumer Price Index. If rents were fixed in wheat, the landowner would only gain as real production increased.

While the consumption of wheat is not *very* susceptible to changes of fashion, it is possible, with very different fashions, to hardly desire it at all; it is not the most general food in Turkey. On the other hand, it is hardly possible for those aware of its existence to not desire money at all. The natural limit on the growth of the quantity of silver or gold is the difficulty of finding it and taking it out of the Earth. As we saw in the last chapter, because it is exchangeable for all other things, while it is nearly useless in itself, desire in

general, which seems limitless, determines how much people want. Yet while the quantity of silver in the world has increased tenfold over two hundred years, relative to wheat, it cannot be said that the world is ten times richer.[1] Because silver has no value in consumption, whatever its total amount will be *somehow* equivalent to the total trade of the world. If total trade has not changed, then each trade will simply require ten times more silver. The wealth of a nation is its money and treasure relative to other nations:

> Riches do not consist in having more Gold and Silver, but in having more in proportion, than the rest of the World, or than our Neighbours, whereby we are enabled to procure to our selves a greater Plenty of the Conveniencies of Life than comes within the reach of neighbouring Kingdoms and States, who, sharing the Gold and Silver of the World in a less proportion, want the means of Plenty and Power, and so are Poorer. Nor would they be one jot the Richer, if by the discovery of new Mines the quantity of Gold and Silver in the World becoming twice as much as it is, their shares of them should be doubled. (*SC*, 222)

Therefore, the important question is how the increase is distributed among countries. In

---

[1]The reader may have noticed an odd disparity in this fifteenth particular. A quantity of wheat trading for a nominal price in 1690 ten times greater than in 1485, was trading for much less than ten times as much silver. According to what Locke knew—if not for the first edition of *Some Considerations*, then at least for revised second edition—the quantity of silver in the 1690 price was closer to only six times as much as that in the earlier price. (*FC*, 459) The tenfold increase in the price of a bushel of wheat and in the rent of land could not have been simply due to the increased quantity of silver. I have been able to draw nothing conclusive from this disparity. It is possible, for example, that there was really only six times as much silver in the world as in 1485, and the rest of the tenfold price increase is merely due to the devaluations; this would bear out Locke's explicit claim that what people trade for is pure silver—even Locke may slip. It is also not impossible that Locke is making a tacit admission that most Englishmen do indeed reckon by the face value, or unit of account. As we shall see in the next chapter, he quietly made this admission more than once. His point regarding the intrinsic value of silver was not that we do not have great powers to create value, but that these powers also have natural ends and limits. If the quantity of silver in the world has increased tenfold, and English prices have increased tenfold in nominal units, then, by the actions of aliens, England has only six tenths the silver money it would have had if it had not devalued, and this will have had damaging effects on the whole economy. Perhaps these devaluations were some of the "amazing Politicks of some late Reigns [which] let in other Competitors with us for the Sea, who will be sure to seize themselves whatever parts of Trade our Mismanagement, or want of Money, shall let slip out of our Hands" (*SC*, 223).

number fifteen we find the first mentions of England and English history since particular seven, where Locke stated that goods exported were as if consumed, because they did not concern Englishmen in their price. The mentions here are much more emphatic. By mentioning England, Turkey, and the West Indies, Locke highlights the contrast between countries, and the relationship of any single nation to the rest of the world. If we keep in mind that the price of money as security is the interest rate, and remember that the immediate purpose of the book is to justify a government policy recommendation regarding the interest rate, we are alerted to the importance of the international interest rate differential, and international finance in general, for specifying any individual country's situation—for determining how much of the growing 'pie' they will share. The importance of international borrowing will be seen if we anticipate the arguments of the last particulars, and glance at a passage Locke removed from his early version of the particulars (from what was there number seven, here number eight), where he inserted another reason why money, as a medium and measure, was quite stable: "(for it wasts Lesse and goes out of the world slower then food and Rayment and most other things, is not apt to be hoarded up in any great disproportion more one yeare then another, and as for exportation though over ballance of trade may call for it out, *yet borrowing of your Neighbors at interest often keeps it in*)" (*EW*, 190–1, emphasis added).

The seeming paradox that money presents to us is that, on one hand, it is a constant reminder that human nature transcends political boundaries—justice is a human, not a political concern, or, it is cosmo-political; while on the other hand, as we have seen in regard to the problem of irrationally ambitious people at home, some problems presented by our common nature are only mitigable on the basis of political incorporation and the concentration of legitimate force in the government. Incorporation, or embodiment, implies limiting, defining boundaries, which puts bodies, in this case nations, apart from and potentially over against others. Relations between states remain

in the tenuous position of the state of nature, lacking a common judge besides reason with its too delicate sanctions, and the "appeal to *Heaven*" (*2T*, §21, 282), with its grievous price. The excesses of the science of economics seem to occur because of a too sanguine attitude toward man's ability and willingness to use his reason—the basis of human unity—without giving due consideration to what Locke would call the "reasons for wrong assent, or error" (*Essay*, IV, xx).

THE BEST MONEY

Particulars sixteen, seventeen, and the first half of eighteen, outline model conditions for a money commodity which would serve to regiment human commerce as well as possible.

> *16. That supposing any Island separate from the Commerce of the rest of Mankind, if Gold and Silver, or whatever else, (so it be lasting) be their Money, if they have but a certain quantity of it, and can get no more, that will be a steady standing Measure of the Value of all other things.*
>
> *17. That if in any Country they use for Money any lasting Material, whereof there is not any more to be got, and so cannot be increas'd; or being of no other use, the rest of the World does not value it, and so it is not like to be diminished; this also would be a steady standing Measure of the Value of other Commodities.*
>
> *18. That in a Country where they had such a standing Measure, any quantity of that Money (if it were but so much that every body might have some) would serve to drive any proportion of Trade, whether more or less, there being Counters enough to reckon by, and the value of the Pledges being still sufficient, as constantly encreasing with the Plenty of the Commodity.* [. . .] (*SC*, 264)

Sixteen and seventeen set out very similar, though not identical, conditions under which an ideal money material might be employed. In both the ideal money commodity is of a

fixed quantity, and lasting, and the society is perfectly isolated.[2] In sixteen the isolation of the society is spacial, in seventeen it may be due to having desires or values different from all the rest of mankind. Paralleling the two kinds of separation in these statements is a difference between the kind of change in the quantity of the material which presents the potential problem. Physical separation is paired with the prevention of the increase in the quantity of the money commodity. Separation of desires accompanies concern for its decrease.

In seventeen, Locke says that if a country could cut itself off from all others, it may establish as money anything with the requisite physical characteristics. Presumably, paper, if it were sufficiently durable, scarce, divisible, portable and homogeneous, would work fine.

In this first part of eighteen he asserts that under such conditions, *any quantity* of the money commodity would drive any quantity of trade, as long as it was sufficiently subdividable, because "the value of the Pledges being still sufficient, as constantly encreasing with the Plenty of the Commodity."[3] Under such circumstances of isolation, the amount of silver does not have to increase with trade, the value of the silver, as a pledge (as a promise of future trade, as credit), will increase in proportion to the quantity of trade it serves. If any doubt remained, this statement confirms for us that for Locke the quantity of the money commodity, and the quantity of *money*, are two different things. Money, which is the money commodity *and* its serving as a pledge, or total credit, will change in quantity with total trade. The quantity of the commodity does not change, but each piece serves more trades.

The world itself could be considered such an island. But its quantity of silver

---

[2]Cf. *Essay* III, xi, 17–18, 517–8. This even though: "the Market and Exchange must be left to their own ways of Talking" (*Essay* III, xi, 3, 509).

[3]In the early writings Locke added here "and the quicknes of Trade" (*EW*, 194).

increases. It seems that not even physical separation can prevent the increase of the money commodity when the commodity is 'natural,' in the way of silver or gold. A money that was politically 'invented' would seem to have the good quality of being more specifiable. However, if political inventions are not honored by those who are not, or do not believe themselves to be, bound by civil laws, then the effects of *others'* behavior must be considered. The great advantage of gold and silver in this regard, is that while their quantity does change, it changes such that all nations are equally affected, or are affected equally to the extent that their behavior is identical. Such a metal is, when treated as such, a kind of common standard for judgment, or a common judge. Furthermore, the very fact that money may expand with credit mitigates to some extent the harmful effects of the change in the quantity of the metal commodity.

In these particulars, Locke highlights, in the negative, that what is most important in terms of a quantity of money driving trade is the question of isolation from the rest of mankind. No individual country is an island, in the sense important here. In our world any proportion of money will not drive any quantity of trade, at least not indefinitely. The quantity of the metal and the value of the pledges change; and they can change unevenly in different countries. Locke forces us to consider how a country ought to respond to this. What circumstances will determine how the 'natural' increase of silver is distributed? This is the question of national wealth—of political economy. The first three and a half of these last seven particulars raise questions, those remaining point to answers. Particular eighteen continues:

[18.cont.] *But these three last, being built on Suppositions that are not like to be found in the Practice of Mankind, since Navigation and Commerce have brought all parts acquainted with one another, and introduced the use of Gold and Silver Money into all Trading parts of the World; they serve rather to give us some light into the nature of Money, than to teach here a new Measure of Traffick. Though it be certain, that that part of the World, which bred most of our Gold and Silver, used least of it in exchange, and used it not for Money at all.*

19. That therefore in any Country that hath Commerce with the rest of the World, it is almost impossible now to be without the use of Silver Coin; and having Money of that, and Accounts kept in such Money, it is impossible to have any standing, unalterable measure of the value of things. For whil'st the Mines supply to Mankind more than wastes and consumes in its use, the quantity of it will daily grow greater in respect of other Commodities, and its value less.

The "Practice of Mankind" precludes the possibility of a perfect money commodity, even if one with the best physical attributes could be found. No country is free to entirely ignore the behavior of its neighbors. War, the threat of invasion, the freedom of 'others' to declare themselves to be our enemies, would seem to set an ultimate limit on isolation. This and less extreme concerns require us to be conscious about the pre- or extra-national money convention that in fact determines the conditions of survival.[4]

The last phrase in eighteen highlights that whether money be gold or silver, or something else, is entirely contingent. It has the same low epistemological status that the accidents of *history* always have for Locke. A country is free to determine its own money—in this, as in language itself, "the rule and measure of Propriety itself being no where established" (*Essay* III, ix, 8, 479). No money commodity is perfect, and others might be equally suitable. The decision between gold and silver themselves highlights this.[5] That the world's money is one of these two, however, while contingent from one point of view, is no less a necessary fact from another. Others will act pursuant to this fact, and if we must consider ourselves in relation to them, we cannot reasonably ignore it. The irresistible spread of technology, of navigation and commerce, has made isolation

---

[4]Perhaps the greatest strength of Caffentzis's account of Locke's position regarding recoinage is its politic recognition of the role that "the other"—including foreigners and criminals—played in Locke's thought, see e.g., 1989, 29–31, 46–8.

[5]At *SC*, 323–8, Locke argues vigorously for a single metal (silver) standard. cf. Li 1963, chs. 11–14; Horsefield 1960, chs.6–7; Feavearyear 1963, ch.7; cf. also *Essay* III, vi, 9, 444.

impossible.[6] Those countries in America which were ignorant of the force of this kind of universality, disregarded it and were plundered and destroyed. For while the specific money material has only a "Phantastical imaginary value," as Locke tells us in the *Second Treatise*, there remains something compelling about it which may be called natural: Only "formerly" was silver money worthless to an American (*2T*, §184, 391).[7]

The critical kind of isolation that is lacking for us is not physical, but the isolation that valuing differently would provide. Something, perhaps not only the value we put on the recognition of others, prevents us from being able to sufficiently isolate ourselves. Physical isolation is overwhelmed by this. What is universal in us unites us, overpowering other differences. A country would seem, therefore, to be both free and not free to determine its own money.

We are all free to assign meaning or value to external 'marks', or measures, for the end of communication or commerce.[8] However, once the measure is insinuated or incorporated into someone else, if only by habitual 'secret references' and 'tacit consent,'[9] their bodily force is attached to it,[10] and we are only free to disregard that force to the extent to which we find our *selves* in something which bodily force cannot touch. No

---

[6]Locke says of the discovery of the magnetic compass that: "the discovery, when once made, does, by its proper use, so unavoidably spread itself over all the world, that nothing less than total extirpation of all mankind can ever possibly make it be forgotton" (in King 1:242–3). Cf. also the perhaps spurious *The Whole History of Navigation, from its Original to this Time,* in *Works 1*, v.10, esp. 372–7.

[7]Cf. *Essay* II, xxx, 372–4.

[8]See *Essay* III, vi, 51, 470–1.

[9]See *Essay* III, v, 15, 437; III, ix, 9, 479–80.

[10]See *Essay* III, ii, 4–6, 406–7; III, vi, 49–50, 469–70. Cf. the oddly titled section 'Distribution' (III, I, 6, 404) where Locke tells us that he intends to discuss "the use *and force* of Language." (emphasis added)

doubt Locke would say with us that starting a war of conquest, for example, is madness, but that is precisely the point; *political* economy must take the human propensity to madness into account. One kind of madness, one kind of man, is particularly dangerous:

> Let never so much Probability hang on one side of a Covetous Man's Reasoning, and Money on the other; and it is easie to foresee which will out-weigh. Earthly Minds, like Mud-walls, resist the strongest Batteries: and though, perhaps, sometimes the force of a clear Argument may make some Impression, yet they nevertheless stand firm, keep out the Enemy Truth, that would captivate or disturb them. (*Essay* IV, xx, 12, 715)

The case of Sparta may be taken to indicate that the concern with a country's openness to alien desires is not wholly new among those who would govern well. Lycurgus tried to isolate Sparta by, among other measures, using iron money.[11] But, according to Aristotle, the result of such measures was ultimately disastrous.[12] The failure to allow for and channel human weakness, to acknowledge the 'feminine side' of his Spartan warriors, led to the domination of Sparta by women, who became super-feminine to balance the overmanliness of the men. The disdain for property ownership encouraged among men led to the women owning a large portion of the territory (two fifths!). Pretending to too much independence, led to unreasonable dependence. Although Aristotle does not attribute it to iron money, he does tell us that by the time of its downfall Sparta, a land that "was capable of sustaining fifteen hundred cavalrymen and thirty thousand heavy-armed troops, [was reduced to] less than a thousand in number" (1270a 28–31). This is precisely what Locke predicts the consequences of Lycurgus's 'devaluation.' Sparta's pretended isolation, or *self-sufficiency,* brought its destruction. Balance, maximum *practical* independence, requires taking dependence or weakness into account.

Perhaps one reason that Aristotle was so reticent about market, or political justice, in the *Nichomachean Ethics*, is that a full account of it makes so clear that the idea of

---

[11]See Plutarch 1905, 94, 116, 123.

[12]See *Politics* b.II, ch.9.

such justice is universally human, international or cosmopolitan in its potential. To recognize that it is money, as representing need, which ties the city together, and then to discuss openly the importance of acknowledging international trade, is to make the world potentially one city.[13] If there is something in human nature which prevents the actualization of this potential, and if a related shortcoming also prevents some of those people who see the potential from forbearing to act toward its actualization, then such a teaching is viciously uncharitable.

But Locke does not live in Aristotle's world. The catholicity of human nature was undeniable in the face of modern navigation and commerce, if it was not already so. Locke may, must, go beyond Aristotle's teaching because the context in which he writes requires it. Writing after men like Hobbes and Spinoza, Locke will not be credible to the most important part of his audience unless he can be read as understanding this. Such writers may have been "justly decried" in public, but it is hard to doubt that every deeply ambitious soul of the time read them with rapt attention.[14] The modern revelations of the power of technological science force Locke to put much more faith in the ability of a significant part of his audience to come to understand the idea of an economic system,

---

[13]Rousseau 1978, 212: Rousseau remarks that the will of the state is infallible in relation to its members, but not to foreigners, for whom it is only a particular will. For the consideration of international questions "the large town of the world becomes the body politic, of which the law of nature is always the general will and the various States and peoples are merely individual members." For an account of Aristotle on how limiting the economy by nature required the particular city, see Shulsky (1991). Ambler (1985) indicates the tenuousness of this relation even for Aristotle.

[14]For a slightly different account of the relation between Locke and Hobbes, see Coby 1987. Coby concludes: "By dwelling on and making provision for the worst possible case, Hobbes closes the door on justice. By risking justice, at least through the rhetoric of the *Second Treatise* (e.g., sec. 176), Locke helps to produce a society that is less prone to worst-case emergencies" (23).

and also see precisely what prevents its perfect actualization.[15] Other countries, as well as nominal Englishmen acting without national interest, will treat silver and gold as value. What is saving in this is that this aspect of human nature gives us a solid base to build from. Reasonable behavior must take this pre- or inter-national situation into account. If "Most Men, wanting either Time, Inclination, or Industry" (*Essay* III, vi, 30, 457) give their "*Assent to common received Opinions*" (IV, xx, 17, 718), then the received opinion regarding money ought "warily and sparingly to be alter'd" (III, vi, 51, 471), in order to prepare all against "the secret motives, that influenced the . . . Leaders of Parties" (IV, xx, 17, 718–19). If the greedy and dangerous measure by silver, then all must be taught to do so.

For Locke, people are constitutionally incapable of behaving against what they see to be their own self-interest; they only obey a law whose sanctions they perceive. The trick to proper legislation then, is flowing with and directing that self-interest—a boat adrift cannot be steered. This is possible because that self-interest is consonant with the highest law of nature, though only in an obscure way which requires great study, and perhaps some grace, to understand. Those who would govern well must become close students of how human behavior is guided by perceived self-interest, in order to

---

[15]For a masterful account of this problem see Strauss 1991, 177–212. Locke, like all of us, by fate was made a 'modern'. He would not vainly pretend that the cat of technology will not be put back into the bag of prudent speech. But in the ultimate character of his understanding of truth, I submit that he is far closer to Plato than to Kant. This will be touched on in relation to *judgment* in later chapters. On the question of Locke's relation to the quarrel between ancients and moderns, no statement is more apt than Locke's own: ". . . truth is always the same; time alters it not, nor is it the better or worse for being of ancient or modern tradition. . . . . There is no occasion on this account to oppose the ancients and the moderns to one another, or to be squeamish on either side. He that wisely conducts his mind in the pursuit of knowledge, will gather what lights and get what helps he can from either of them, from whom they are best to be had, without adoring the errors or rejecting the truths which he may find mingled with them" (*Conduct*, §24, 70–71).

'enlighten' those perceptions. The self-interest of the most ambitious among the unreasonable would appear to be the greatest threat. The *country* that represents the greatest threat in the new technological world, is not conquering Spain, but tiny mercantile Holland.[16]

The ability of a country to ensure its own survival depends on what may be called its *wealth*—both able-bodied citizens, and having enough of what the world wants, in order to be able to secure in trade necessary provisions for making war, are necessary. Both of these seem to accompany the presence of money—"the means of Plenty and Power" (*SC*, 222)—in some way. Conquest has become an unthinkable alternative: "no Body is vain enough to entertain a Thought of our reaping the Profits of the World with our Swords, and making the Spoil and Tribute of Vanquished Nations, the Fund for the supply of the Charges of the Government, with an overplus for the wants, and equally craving Luxury, and fashionable Vanity of the People" (223). Having mines, so far from making a country rich, does just the opposite: "The digging and refining of these Metals taking up the Labour, and wasting the Number of the People. For which reason the wise Policy of the *Chineses* will not suffer the Mines they have to be wrought" (221–2). Holding on to money requires industrious and thrifty citizens. Having mines inculcates precisely the wrong kind of habits for national wealth. In addition, because wealth is relative, getting metal from the ground does not enrich like getting it from neighbors, which enriches at the same time it diminishes the neighbor's stock. The case of Spain is the best illustration of the inadequacy of owning mines for effective modern policy:

> 'Tis Death in *Spain* to export Money: And yet they, who furnish all the World with Gold and Silver, have least of it amongst themselves. *Trade* fetches it away from that lazy and indigent People, notwithstanding all their artificial and forced contrivances to keep it there. It follows *Trade* against the rigour of their Laws; and their want of Foreign Commodities makes it openly be carried out at Noon-Day. Nature has bestowed Mines

---

[16]Cf. e.g., *FC*, 487.

> on several parts of the World: But their Riches are only for the Industrious and Frugal. Whomever else they visit, 'tis with the Diligent and Sober only they stay. (*SC*, 292)[17]

It is the behavior of the citizens and government that determines the wealth of the country. The spread of the technical knowledge of trade, along with poor government management, were the twin causes of England's declining position in the world in the better part of the preceding century. Poor regulation, because avoidable, is an especial evil:

> [I]f the more enlarged, and better understood Interest of Trade, since the Improvement of Navigation, had not raised us many Rivals; and the amazing Politicks of some late Reigns, let in other Competitors with us for the Sea, who will be sure to seize to themselves whatever parts of Trade our Mismanagement, or want of Money, shall let slip out of our Hands: And when it is once lost, 'twill be too late to hope, by a mistim'd Care, easily to retrieve it again. *For the Currents of Trade, like those of Waters, make themselves Channels, out of which they are afterwards as hard to be diverted, as Rivers that have worn themselves deep within their Banks.* (*SC*, 223 emphasis added)

Political economy cannot tell us what the world is, only how to carry ourselves in it. England's very survival depends on trade. Trade, in turn, depends on the availability of money. We will be able to find our way back to examine the next particular by remembering that money itself depends on, and even itself *is*, credit:

20. That in a Country that hath open Commerce with the rest of the World, and uses Money made of the same Materials with their Neighbours, any quantity of that Money will not serve to drive any quantity of Trade; but there must be a certain proportion between their Money *and* Trade. *The reason whereof is this, because to keep your* Trade *going without loss, your Commodities amongst you, must keep an equal, or, at least, near the Price of the same Species of Commodities in the Neighbour Countries: Which they cannot do, if your* Money *be far less than in other Countries; for then, either your Commodities must be sold very cheap, or a great part of your* Trade *must stand still; there not being Money enough in the Country to pay for them (in their shifting of hands) at that high price, which the Plenty and consequently low Value of Money makes them at in another Country. For the Value of Money in general is the quantity of all the Money in the World, in proportion to all the Trade: But the value of Money in any one Country, is the present quantity of the Current Money in that Country, in proportion to the present*

---

[17]Cf. *SC*, 229.

Trade. Supposing then, that we had now in England *but half as much Money, as we had seven Years ago, and yet had still as much yearly Product of Commodities, as many Hands to work them, and as many Brokers to disperse them, as before; and that the rest of the World we Trade with, had as much Money, as they had before, (for 'tis likely they should have more by our Moiety shared amongst them) 'tis certain, that either half our* Rents *should not be paid, half our* Commodities *not vented, and half our* Labourers *not imployed, and so half the* Trade *be clearly lost; or else, that every one of these must receive but half the Money, for their Commodities and Labour, they did before, and but half so much as our Neighbours do receive for the same Labour and the same natural Product, at the same time. Such a state of Poverty as this, though it will make no scarcity of our Native Commodities amongst us, yet it will have these ill consequences.*

1. It will make our Native Commodities vent very cheap.

2. It will make all Foreign Commodities very dear, both which will keep us Poor. For the Merchant making Silver and Gold his Measure, and considering what the Foreign Commodity costs him (i.e. *how many Ounces of Silver) in the Country where Money is more Plenty,* i.e. *Cheaper; and considering too, how many Ounces of Silver it will yield him in another Country, will not part with it here, but for the same quantity of Silver, or as much as that Silver will buy here of our Commodity, which will be a great deal more than in another place. So that in all our exchange of Native for Foreign Commodities, we shall pay double the Value that any other Country does, where Money is in greater Plenty. This indeed will make a dearness, and, in time, a scarcity of Foreign Commodities; which is not the worst inconveniency that it brings upon us, supposing them not absolutely necessary. But,*

3. It endangers the drawing away our People, both Handicrafts, Mariners, and Soldiers, who are apt to go where their Pay is best which will always be where there is greatest plenty of Money; and in time of War, must needs bring great distress.

In twenty Locke begins to explain why, since we in fact do use the same money as the rest of the world, any proportion of money will not drive any quantity of trade, as it would in the ideal country of particular eighteen. This particular, along with the next, is usually read (and I suspect was designed to lend itself to being read), as an exhortation to maintain the quantity of silver money in the country, as the overriding goal of mercantilist policy.[18] We will not be able to completely understand this long particular until we have also worked through twenty-one, but to combine them without some initial consideration of twenty would be unwieldy. At first it looks as if Locke is simply saying that if half of our *silver* is gone, our prices will be low, foreign products' prices will be high, and folks

---

[18]Locke's sharpest critics here are Heckscher 1955, 203–4; and Viner 1965, 31–2. Somewhat more generous readings can be found in Angell 1965, 18–21, Leigh 1974, entire; and Vaughn 1980, 66–76.

will leave England to go where wages are higher; we should therefore try to keep as much silver in England as we can. Interpreters who read Locke like this must then ask why he did not take the obvious next step to realize the action of the 'price-species flow mechanism,' and become the first truly laissez-faire, classical economist. They must be amazed that he did not see that the very fact that native commodities selling cheap, compared to foreign commodities selling dear, would give domestic products an advantage in the market place, thus making exports increase as imports decrease, reversing the flow of money back into the country and bringing domestic prices more or less immediately back into equilibrium with world prices.

This entire line of thought is only possible when one has already carelessly assimilated all the different ways that Locke employs the term money, to the single case of money as the monetary metal. But this is precisely what we may not do. If one does not commit this error, then the key point in these last particulars is that, while the velocity of money (the different trades that the silver serves, what Locke in eighteen calls "the value of the pledges") is secondary for the value of money to a located individual considering a trade for some commodity, or for the world considered as a whole—both of which are in some sense generalizations—the value of money as pledges is of paramount relevance from a national standpoint, for any country which makes a part of the world monetary system: "For the Value of Money in general is the quantity of all the *Money* in the World, in proportion to all the Trade: But the value of Money in any one Country, is the present quantity of the *Current Money* in that Country, in proportion to the present Trade" (emphasis added). Keeping the meaning of this sentence in mind, the example Locke gives in this twentieth particular is quite suggestive.

If half the money, metal times velocity, were gone, then the monetary sum of all trades would be half of what it was before. We will have either: 1) half the total quantity of goods traded, at the same prices; or 2) the same total quantity of trades, at half prices.

Such a change in prices might be okay in an isolated country, but in ours, "any quantity of that Money will not serve to drive any quantity of Trade." The consequences of this alternative, in a society with open commerce with the world, quickly lead to some kind of adjustment to world prices. Is it prudent hermeneutics to assume that Locke did not follow his inferences to their obvious conclusions?

The first two numbered consequences in particular twenty make one think that in a world where trade does not double, or halve, overnight, a *price-specie flow mechanism* would soon reverse the situation. If our commodities are cheap, and foreign ones dear, the balance of trade will soon turn toward our net exportation of goods, and net importation of specie to re-equilibrate prices. Only if that did not happen soon enough would the third, more threatening, consequence be activated. People will go where pay is highest, and our population will be reduced. The danger of this is most visible in the extreme case of war, where less money, and fewer fighters, could spell the end of the country, as in the case of Sparta above. The result of either possibility in number twenty is that prices return to an equilibrium with prices abroad, and that a change in money, if it does not reverse itself, is eventually compensated by a change in population. If we assume subsistence living, halving the quantity of goods traded would be identical to halving the population, if barter did not make up the difference. The necessity of a proportion of money to trade turns out not to look like a moral one requiring exhortation, but a factual, necessary part of the description of a money economy. It would appear that species of commodities simply *do* keep similar prices.[19]

---

[19]It is curious that Locke chose "seven years ago" for this example. I have not found a convincing explanation. If a country lost 10% of its money per year, it would have a little less than 50% (47.83%) of its original amount after seven years. Is there some reason that a 10% per year loss would be significant? At *SC*, 229 he gives an example of importing one tenth more than exporting per year—could this be a correction of that, with compounding effects considered?

The criticism that Locke does not understand the price-specie flow mechanism—or he would surely have stated it [20]—would be rendered nugatory if it could be shown that he already understood why the mechanism is false, as most everyone today believes. Locke may have gone beyond the equilibrium doctrine to include the disequilibrating effects of trade growth and decline, and international borrowing. If we note that Locke here defines the value of money in a country in terms of 'Current Money,' and remember that a primary purpose of the book is to show the damage of lowering the cap on legal interest, then we will not presume that Locke has failed to consider the velocity of money.[21] We have already seen that Locke is aware that the velocity of money can compensate for the quantity of specie, and that money's velocity depends in part on the interest rate. Only when we recognize that money's velocity is germane to this question do we understand why these last particulars were included—how they are indeed the culmination of the answer to the largest question of the book, rather than having just been thrown in haphazardly.

If we consider this section in light of the primary recommendation of the book, we would perhaps expect Locke here to say that the interest rate must float in order to counterbalance the tendency to hoard. The key to keeping prices the same, and keeping trade going, is to prevent the 'consumption' of money. Since he knows that debt is money, he cannot mean exportation alone, but must mean in the first place hoarding. If the incentive to lend is high enough to make money available, someone will borrow it to begin a venture in manufacture. If we can read Locke this way, then "if your *Money* be

---

[20]For such criticism, see Kelly 1991, 79; Leigh 1974, 208–9, 214–17; Vaughn 1980, 67–9; Viner 1965, 76–7.

[21]Similarly, "in their shifting of hands" reminds us that the relevant quantities in these proportions are not stocks, but amounts of money and other commodities flowing in exchange.

far less" could also refer to the price of money in use, the interest rate.

Once the reader has filled in the missing premises, and followed through to inexorable conclusions, the complete basis for Locke's early unsubstantiated, or differently substantiated, conclusions, becomes apparent. In discussing the results to be expected if the reduction of the legal interest cap from six to four percent were obeyed, early in *Some Considerations*, Locke explained how such a predicament might come about:

> For there being a certain proportion of Money necessary for driving such a proportion of Trade, so much Money of this as lies still, lessens so much of the Trade. Now it cannot be rationally expected, but that where the Venture is great, and the Gains small, (as it is in Lending in *England* upon low *Interest*) many will choose rather to hoard up their Money, than venture it abroad on such Terms. This will be a loss to the Kingdom, and such a loss, as here in *England* ought chiefly to be looked after: For we having no Mines, nor any other way of getting, or keeping of Riches amongst us but by Trade, so much of our Trade as is lost, so much of our Riches must necessarily go with it; and *the over-ballancing of Trade between us and our Neighbours, must inevitably carry away our Money, and quickly leave us Poor, and exposed* [emphasis added]. Gold and Silver though they serve for few yet they command all the conveniencies of life; and therefore in a plenty of them consists Riches. (*SC*, 221)

Locke's concern for gold and silver here *is* genuine. It is *not* simplistic.

The role of population in Locke's considerations merits close attention. It seems unlikely that Locke actually thought that subsistence-level laborers would emigrate in considerable numbers based on relative wages. However, on fuller consideration of the situation Locke presents, it is not wage *differentials* that are the comparison. To the extent that prices do equilibrate, the reduction in money caused by the interest cap may mean a reduction in trade, in jobs. Desperate people, people with no jobs at all, may well emigrate to find a living. The net effect of whatever might set in motion a price differential will be a reduction in trade, which will mean essentially a reduction in population, or in the very size of the country, by the most important measure of

size—"Power consists in numbers of men, and ability to mainteine them" (*Trade*, 485).[22] It is a testament to the fantastic success of trade policy in the eighteenth century that by its end over-population could be convincingly put forth by a leading intellectual as a *threat* of disastrous proportions![23]

PRICE-SPECIE FLOW EQUILIBRIUM

Since Hume is generally credited with being the first to realize the workings of the price-specie flow mechanism, it may be enlightening to compare his treatment of these dynamics to Locke's. Instead of population change, Hume taught the world that trade flow reversals are what balance the system. In the context of arguing against rigid understandings of bullion exportation and balance of trade, Hume gives the following familiar example:

> Suppose four-fifths of all the money in GREAT BRITAIN to be annihilated in one night, and the nation reduced to the same condition, with regard to specie, as in the reigns of the HARRYS and EDWARDS, what would be the consequence? Must not the price of all labour and commodities sink in proportion, and everything be sold as cheap as they were in those ages? What nation could then dispute with us in any foreign market, or pretend to navigate or to sell manufactures at the same price, which to us would afford sufficient profit? In how little time, therefore, must this bring back the money which we had lost, and raise us to the level of all the neighbouring nations? Where, after we have arrived, we immediately lose the advantage of the cheapness of labour and commodities; and the farther flowing in of money is stopped by our fulness and repletion.
> . . .
> Now, it is evident, that the same causes, which would correct these

---

[22]Cf. Foucault's (1970, 187–8) account of Cantillon on population and equilibrium.

[23]See Malthus 1993. It is not unimportant that the kind of labor Locke mentions here is craftsmen, not 'unskilled' workers. Cf. Bacon (1676, 44) on the usefulness of the "Yeomanry or Middle People" as best for "the principal strength of the Army . . . Infantry or Foot," which "requireth men bred, not in a servile or indigent fashion, but in some free and plentiful manner."

> exorbitant inequalities, were they to happen miraculously, must prevent their hapening in the common course of nature, and must for ever, in all neighbouring nations, preserve money nearly proportionable to the art and industry of each nation. All water, wherever it communicates, remains always at a level. Ask naturalists the reason; they tell you, that, were it to be raised in any one place, the superior gravity of that part not being balanced, must depress it, till it meet a counterpoise; and that the same cause, which redresses the inequality when it happens, must for ever prevent it, without some violent external operation. (Hume 1970, 62–4)

It would be easy to oversimplify Hume's account here, as is usually done. When differences in rhetorical circumstances and strategy are taken into consideration, one realizes that Locke's and Hume's understanding of money mechanics are very similar, on the whole. In order to recognize this it must first be considered that he makes this case in the specific context of arguing against *simplistic* understandings of the balance of trade, such as those which advocate bullion exportation prohibitions—which neither Hume, nor Locke, did.[24] Furthermore, because of his immediate polemical purpose he does not explain what he means by the important statement that the mechanism will "preserve money nearly proportionable to the art and industry of each nation." Elsewhere he is slightly more explicit: "In short, a government has great reason to preserve with care its people and its manufactures. Its money, it may safely trust to the course of human affairs, without fear or jealousy. Or if it ever give attention to this latter circumstance, it ought only to be so far as it affects the former" (77). If he explained this I suspect that his greater agreement with Locke would be visible. Rather, he counteracts a simplistic prejudice with a simplistic refutation, such as can be appreciated by the same people who hold the first.[25]

---

[24]Although Locke will consider even this, *provisionally*. In particular twenty-one he will show us circumstances in which it *might* be prudent.

[25]Hume (1970, 62): "In short, this apprehension of the wrong balance of trade, appears of such a nature, that it discovers itself, wherever one is out of humour with the ministry, or is in low spirits; and as it can never be refuted by a particular detail of all the exports, which counterbalance the imports, it may here be proper to form a general argument, that

Nevertheless, there is no denying that Hume's *account* of an automatic mechanism is quite different from Locke's treatment of the same material—and with a not dissimilar audience in mind. This is indicated by the very fact that Hume *is* content to leave in the background the question of how technological, population and other changes work into the equilibrating process. Hume is also more content than Locke to leave the impression of the simple reality of the self-regulating equilibrium of money. The force of his rhetoric is simply toward leaving the monetary metals alone to do their work—as is indicated by his *greater* vitriol than Locke's against banks and paper money:

> I scarcely know any method of sinking money below its level, but those institutions of banks, funds, and paper credit, which are so much practised in this kingdom. These render paper equivalent to money, circulate it throughout the whole state, make it supply the place of gold and silver, raise proportionably the price of labour and commodities, and by that means either banish a great part of those precious metals, or prevent their farther encrease. (67–8)
>
> . . .
>
> What a pity LYCURGUS did not think of paper-credit, when he wanted to banish gold and silver from SPARTA! It would have served his purpose better than the lumps of iron he made use of as money; and would also have prevented more effectually all commerce with strangers, as being of so much less real and intrinsic value. (70)[26]

The reason that Locke does not account for this as a perfectly self-regulating, equilibrious system is that it is not such, and never has been! Locke has quietly gone beyond the simplistic considerations typical of classical economics, to include the disequilibrating effects of trade growth and decline, and international borrowing, and the deeper source of both. Where Hume is content to say that the price-specie flow mechanism works all the time, *except* when the character of bank or other credit as money is taken into consideration, Locke forces his reader to realize that *all money is credit.*

---

they may prove the impossibility of this event, *as long as we preserve our people and our Industry*" (emphasis added).

[26]Hume dilutes this venom by pointing to conditions under which paper of limited use (70–1).

No country can be net importer, a net consumer, *except* on the basis of credit! Therefore, in Locke's account, the effects of borrowing and interest payments abroad will take some of the money that would be returning if money's operation were strictly mechanical, according to the price-specie flow mechanism. As long as a country's credit seems tolerable, the trade reversals predicted by the classical mechanism will not come to the rescue. That will happen only when credit fails and the situation is desperate. International borrowing allows a country to indulge habits of consumption to the point of digging a horrible hole that will impoverish, and even destroy their population.

Perhaps we ought to ask ourselves why *we want* Locke to here outline the price-species flow mechanism—i.e., show how the system is in self-correcting equilibrium, and that it is in fact impossible to get out of such. This is something which no prudent political man has ever believed, and no prudent economist believes today. Why would we rather that Locke's system be "perfect" in a superficial, two-dimensional way, rather than as practical and accurate? Why do we take his failure to state the 'price-specie mechanism' to be his insufficient advance, rather than his having already thought through to its demise? Does our idea of 'theory' as model-building distort our expectations of what a 'truly' theoretical account should be? Or is it that we want to fit Locke into a preordained "rational progression" of the emergence of the perfect economic science? Does this not blind us for reading him well? Locke may not give us the system we want, but if we follow his inferences, we see that he has nevertheless thought through the whole problem.

One cannot help but wonder if the difference in the thrust of Locke's and Hume's rhetoric does not stem from Hume having already "fallen for" his predecessor's artifices. Hume seems already to have accepted the reality, the material thingness of metal money, in a way which Locke does not, but which he does encourage for some readers. There is no part of this problem on which Locke differs more from Hume than the import of

foreign exchange on the equilibrating process. Hume notes that:

> There is another cause, though more limited in its operation, which checks the wrong balance of trade, to every particular nation to which the kingdom trades. When we import more goods than we export, the exchange turns against us, and this becomes a new encouragement to export; as much as the charge of carriage and insurance of the money which becomes due would amount to. For the exchange can never rise but a little higher than that sum. (Hume 1970, 64n.1)

Locke brings foreign exchange into his considerations only in the ultimate, and longest, particular, to which we now turn:

21. Upon this Measure too it is, That the variation of exchange of Money, between several Countries, does somewhat depend. For it is certain, that one Ounce of Silver is always of equal value to another Ounce of Silver considered in its Intrinsick worth, or in reference to the universal Trade of the World: But 'tis not of the same value at the same time, in several parts of the World, but is of most worth in that Country where there is the least Money, in proportion to its Trade: And therefore Men may afford to give 20 Ounces of Silver in one place, to receive 18 or 19 Ounces of Silver in another. But this is not all: To this then, (to find out the alteration of the exchange) the over-ballance of the Trade must be taken into consideration. These two together regulate the exchange in all the Commerce of the World, and in both the higher rate of exchange depends upon one and the same thing, viz. *the greater plenty of Money in one Country, than in the other; Only with this difference, that where the over-ballance of Trade raises the exchange above the* Par, *there it is the plenty of the Money, which private Merchants have in one Country, which they desire to remove into another: But where the Riches of the Country raises the exchange above the* Par, *there it is the plenty of the Money in the whole Country. In one the* Merchant *has more Money (or Debts, which is all one) in a Foreign Country than his Trade there will employ, and so is willing to allow upon exchange to him abroad, that shall pay him ready Money at home, 1, 2, 3,* Etc. per Cent. *more or less, proportionably as his or his Countrymens plenty of ready Money abroad, the danger of leaving it there, or the difficulty of bringing it home in Specie, and his present need of Money at home is greater or less: In the other, the whole* Country *has more Money, than can well be imploy'd in the Trade thereof, or at least, the proportion of the Money to the Trade is greater than in the Neighbouring Country, where the exchange is below the* Par.

For, supposing the ballance of Trade to be equal between England *and* Holland, *but that there is in* Holland *a greater plenty of Money, than in* England, *(which will appear by the lowness of the Natural* Use *in* Holland, *and the height of the Natural* Use *in* England; *and also by the dearness of Food and Labour in general in* Holland, *and the cheapness of it in* England.*) If* N. *has Ten thousand pounds in* Holland, *which the greater Advantage he could make of it in* England, *either by* Use, *or* Purchase, *tempts him to transfer into* England, *'tis probable he will give as much to a Merchant in* Holland, *to pay him Ten thousand pounds in* England, *as the ensurance at that time between* Holland *and* England *is worth. If this happen to be in a Country, where the Exportation of* Bullion *is Prohibited, he must pay the more: Because his Venture, if he carry it in Specie, will be greater. And, upon this ground, perhaps, the Prohibiting the Exportation of Money out of* England, *under Penalties, may be of some use, by making the rate of the exchange*

greater to those Countries, which Import upon us more, than they Export in Commodities; and so retain some part of the Money which their over-ballance of Trade would carry away from us, though after all, if we are over-ballanc'd in Trade it must go.
But, since the Holland *Merchant cannot receive* N*'s Ten thousand pounds in Money in* Holland, *and pay him Ten thousand pounds in* England, *unless his over-ballance of Trade make* English*-Men indebted to him Ten thousand pounds in Money, which he is not like to take in Commodities. I think the over-ballance of Trade is that which chiefly raises the exchange in any Country, and that plenty of Money in any Country does it only for so much of the Money as is transfer'd either to be let out to* Use, *or to be spent there. And though Lending to Foreigners, upon* Use, *doth not at all alter the ballance of Trade between those Countries, yet it does alter the exchange between those Countries for so much as is lent upon* Use, *by not calling away the Money, that should follow the over-ballance of Trade, but letting it rest there, as if it were accounted for; all one as if the ballance of Trade were for so much altered. But this being not much in comparison of the general Traffick between two Nations, or at least varying slower, the Merchant too regulating the exchange, and not the Usurer. I suppose it is the present ballance of Trade, on which the exchange immediately and chiefly depends, unless some accident shall make a great deal of Money be remitted at the same time, from one place to another, which will for that time raise the exchange all one as an over-ballance of Trade; and indeed, when examin'd is generally very little* different *from it.*
To be able to estimate the Par *with the rise and fall of the exchange, it is necessary to know the intrinsick value, i.e. how much Silver is in the Coins of the two Countries, by which you reckon and charge the Bill of Exchange.*

The reader who has not carefully prepared himself by working line by line through Locke's account, weighing all the parts with one another, will hardly be prepared to make sense of the way in which this particular is truly ultimate. Locke seems to state everything here in the most confusing way. The ostensible purpose of the particular is to explain the character of exchange rates. This, however, entails indicating the relationships between an array of factors which goes much further; it goes as far as describing all the important relationships between national economies.

For Hume, the exchange rate, like the quantity of specie, may be related as a cause to the direction of net trade flow. It can *cause* people to want to buy more things where money is worth more—in the importing country. For Locke, this is to put the cart before the horse. The applied logic of the price-specie flow mechanism is preposterous in ignoring two critical factors that Locke considers to be primary. First, that all money is in its essence credit; second, that the citizenry of a country is in an important way not

homogeneous, in part because people's desires are susceptible to being changed through habituation and fashion.

Comparing Locke and Hume on specie flow, we notice that the force of Locke's rhetoric is oriented in the opposite direction from Hume's. Hume emphasizes the natural balance of specie among countries—like water in connected pools—and then moves to consider the causes of deviations. Locke begins by emphasizing the primary fact of imbalance or *disequilibrium*. Money does, in fact, vary in exchange—twenty parts of silver are given here, for nineteen parts there. This variation depends, somewhat, on the domestic proportion of money to trade which must *somehow* vary from one country to the next, and this interplays *somehow* with balance of trade, to determine exchange rates. While from some perspectives we may wish to treat the world as homogeneous in order to understand it, or to act within it, the fact remains that the world is not homogeneous.[27] Time, motion and friction are the basic conditions in Locke's account.[28]

In the beginning of twenty-one it appears that both the proportion of money to trade within the country, and the balance of trade can be causes of "the greater plenty of Money in one Country, than in the other." It seems at first that Locke sees these two

---

[27]From the perspective of the individual, any *present* piece of silver is much the same as another of equal quantity—its intrinsic value is its value for me, here and now—all differences of position are abstracted. Much the same is true in considering silver "in reference to the Universal Trade of the World." In considering that aggregate all differences are homogenized, the total money, is compared to the total trade.

[28]Keynes's (1935, 343) comparison of Locke and Hume on money is propitious. After saying that Locke was "standing with one foot in the mercantilist world and with one foot in the classical world," Keynes adds this note: "Hume a little later had a foot and a half in the classical world. For Hume began the practice amongst economists of stressing the importance of the equilibrium position as compared with the ever-shifting transition towards it, though he was still enough of a mercantilist not to overlook the fact that it is in the transition that we actually have our being:" Keynes goes on to quote ten lines of Hume to the effect that the absolute quantity of specie is not what is truly important, but that the quantity be *increasing*.

causes as distinct. He asserts that when the balance of trade causes the difference in exchange, the difference is in the amount of money held by merchants, as opposed to the citizenry in general. But one consequence of his extremely confusing example is that we learn that in fact *only* the overbalance of trade can possibly have the effect in question. There cannot exist, except evanescently, in transition, a general disproportion of money to trade. If it did occur, it would be immediately tied up with an imbalance of trade which must be the proximate cause of exchange rates, since it is international traders, of commodities and of money, that are the ones who actually have reason to exchange. In a world of open commerce, any disproportion in the money to trade ratio will be immediately due to trade imbalances.

A very small part of the population deals directly in international commerce or finance. Locke forces us to consider that it is the actions of a small group of people who direct the interactions between countries that need most to be understood: international merchants, bankers and exchange brokers—oftentimes the same men. The exchange rate cannot cause trade reversals, because the exchange differential exists because of the *prior* fact that someone wants money where it brings *less;* not *because* it brings less, of course, but for another cause. This may be deduced from the information provided in twenty-one, it was more clear, however, from the following which was removed by Locke from the early version of this particular. In short, the exchange rate is a price which is determined much like any other price:

> That the exchange should vary and all men without compact submit to its variations is noe more strange nor upon any other grounds then the rise and fall of the price of wheat in the market in which as in all other commoditys the buyer makes the price, it being soe in the Exchange of mony. The merchant of the country which overballances the other in trade, being to receive the perplus of his trafick in mony, and wanting or desireing to have it at home in his owne power proportionably as his want or desire or the difficulty of haveing it is greater offers proportionable rates

[29]

[30]
either
excha

to have his want supplied presently at <ho>me[29] wherein he that will give most is sure for that time to give law to the exchange betweene those two places suppose Amsterdam and London, since he that will give most is sure to be first served, for noe body will sell bills of returne at 1 per Cent as long as he may have 2 per Cent. soe that I suppose 'tis the merchant who has by the overballance of trade mony oweing to him in another country that makes the rate of the exchange who is willing to pay for the quick and secure returne of his mony into his owne hands, it must therefor be in the ordinary course of trade the Creditor, that is he that will give most in the country where he has mony oweing to him or from whence he desires to remove it that for the time sets the rate to the exchange since the same commodity equally good will scarce be sold to one man at a rate much under what an other at the same time gives for it, if it be known as the exchange is by the brokers that trade in it, For both the merchant and the traveller will still be content to receive the forain mony at a value as much below the par as they can. But whether it be the buyer or the drawer of the bill that sets the price of the exchange The altering of the rate of exchange between any two places manifestly depends upon the same measures of plenty and scarcity of mony, as the rise or fall of the price of wheat or any other commodity in a market doth, only with these two differences.

1°. That the rise or fall of the price of wheate or any other commodity depends upon the proportion of the wheat and the mony that is that day brought into the market to be exchanged for wheat, which are two different things and belonging to two different owners. But the rise or fall of the exchange between two places, is the plenty of uselesse mony the merchants have in one place, and the convenience of haveing it in another compard with the difficulty hazard and delay of transportation and in this the commodity and owners are both the same, the only difference being the distance of place.[30]

2° In the market the highest bider cannot set a rate to all the rest of the buyers of wheat, or any other commodity, because of the various degrees of goodnesse that there is or may be in the same species of corne or any other commodity. for though he give 5s per bushell for one parcell of wheat all the rest of the farmers cannot keepe up theirs to that rate because they cannot be assured it is soe good or soe fit for his purpose. But in the variation of exchange it is otherwise, and the rate must needs follow the highest bider because the commodity being perfectly of the same sort and of an equall goodnesse if the two drawers are of equall credit, it being silver for silver every one will put of his where he is surest to have most in

---

[29]Kelly notes here: "missing letters obscured by inkblot."

[30]Cf. Petty 1899, 47: Frictions of time and place were not separated entirely by Petty either, who calls the exchange, "local Usury," where local[e] signifies place; the exchange is then the price of place. Cf. Kelly 1991, 48.

exchange. (*EW*, 199–201)[31]

What "gives law" to the exchange between countries is the desire of the person who is owed money in the importing country— i.e., the merchant who sells goods there, and so owns money or debt there, and will give most to have the money in another country. He decides how much he will take to have money where he can buy commodities to sell. He will never take so little that he can't still sell with profit: "A Merchant will never continue to Trade in Wares, which the change of Fashion, or Humour, amongst your People, has made less vendible, though he may be sometimes caught by a sudden alteration" (*SC*, 276). For Hume the exchange differential, along with the general price level, can lead to a more or less immediate reversal of trade trends. Locke, however, insists that what makes merchants want to have their money in one place or another is not the price level, but the supply of goods that people elsewhere *want* enough to promise to pay for—the opportunity for profit. Demand, or desire, is the initial driving force in the economy, the independent variable which must be directly considered. Higher prices are no dissuasion if the demand exists which can and will pay even higher.

If Locke left his account at just considering the effect of trade imbalances, it would perhaps be fitting to condemn him for not having seen the price-specie flow mechanism. However, he quietly insists that what we might call the 'general demand', or the demand for money, in an economy, also be considered. Locke insists on relating trade patterns to their effects on the "natural interest of money" in each country, and so to the international lending patterns. We must consider foreign debts if we are to understand the whole problem—this Locke at first only indicates parenthetically: "Money (or Debts, which is all one);" but he then, apparently as a digression, devotes the final portion of the

---

[31]The absence of this material leaves the importance of twenty-one very obscure. Kelly 1991, 199 notes that this whole section appears to have been removed as late as 1691.

particular to it. In this Locke asks us to consider the perceptual character of the reality of money. He hints that what can exist for countries *in general*, is different proportions in their money supply of silver to credit, which is adjusted by several factors, depending on the various resistance encountered by each.

It is Locke's awareness of the interaction of international trade and credit that leads him in particular twenty-one to pair his notice of a higher price level with the coinciding notice of a "lowness of the Natural *Use*." In the end, for Locke, it is only being a net exporter country that will raise the proportion of money in a country high in relation to the *domestic* trade of that country—which will be seen by "the dearness of Food and Labour in general."[32]

Because it treats money superficially, as substantial and homogeneous, Hume's account of the price-species flow mechanism cannot explain how prices may in fact, and for extended periods, be different between countries, and so it ignores the question of borrowing, or moving stored money into market circulation. Such a disproportion can sustain itself, without having profound effects on the population, only on the basis of credit at home or abroad. Domestic borrowing assumes that the interest rate is as low, or nearly as low, at home as abroad—but this could not last long in a net importing country. In such a country, borrowing must ultimately be from abroad. Net importing countries must also eventually be net debtor countries. Presumably, this will eventually lead to the draining of specie out of the country, and finally the failure of credit and bankruptcy:

> The Truth of the Case in short is this. Whenever we, by a losing Trade, contract Debts with our Neighbours; they will put *a great Value on our*

---

[32]Locke shows clearly the general inverse relationship between interest rate and price level—which Keynes gives him credit for seeing, but not completely understanding. But Locke's account is not as simple as Keynes implies that it is; it is not a simple inverse relationship. Locke does not actually even compare them to each other, but to the same prices in another country! Keynes' criticism is made on the basis of abstracting Locke's extremely subtle comments from their proper context.

> *Silver, and more Money will be got by transporting Silver than any thing can be sent:* Which comes about thus. Suppose that by an Over-ballance of their Trade (whether by a Sale of Pepper, Spices, and other *East-India* Commodities, it matters not) we have received great quantities of Goods, within these two or three Months, from *Holland*, and sent but little thither; so that the accounts ballanced between the Inhabitants of *England* and the *United Provinces*, we of *England* were a Million in their Debt: What would follow from hence? This: that these Dutch Creditors, desiring to have what is due to them, give Order to their Factors and Correspondents here, to return it to them. For enquiring, as we do, what are the effects of an over-ballance of Trade, we must not suppose, they invest their Debts in Commodities, and return their Effects that way. A Million then being to be returned from *England* to *Holland* in Money, every one seeks Bills of Exchange: but Englishmen not having Debts in *Holland* to answer this Million, or any the least part of it, Bills are not to be got. This presently makes the Exchange very high; upon which the Bankers, *&c.* who have the command of great quantities of Money and Bullion, send that away to *Holland* in Specie, and so take Money here to pay it again there, upon their Bills, at such a rate of Exchange, as gives them five, ten, fifteen, *&c. per Cent.* profit: And thus sometimes a *5 s.* Piece of our mill'd Money may truly be said to be worth *5s. 3d. 4d. 6d. 9d* in Holland. (*SC*, 334–5)[33]

POLITICAL RHETORIC: LOWERING THE INTEREST

When Locke tells us in particular twenty-one that international debts are "very little different" from trade imbalances, as far as exchange rates are concerned, he reminds us by raising the question of credit that the effect of lowering the legal *interest rate* is the immediate question of this portion of *Some Considerations.* How would lowering the legal interest play itself out through the dynamic relations indicated in these last particulars? Would a floating interest rate entirely compensate for trade imbalances?

---

[33]*FP*, 377–8: "Returning money by exchange into forain countrys keeps not one farthing from goeing out. It only prevents the more troublesom and hazardous way of sending money in specie forwards and backwards; and by scrips of paper more commodiously evens the accounts between particular Debtors and Creditors in different countrys as far as the commerce on both sides is equivalent. But *where the overballance on either side demands payment*, there bills of Exchange can doe nothing. But bullion or money in specie must be sent" (emphasis added). Locke is silent about just how long debts may go unpaid. If political men do not value sufficiently long-term consequences, then reasonable rhetoric toward them requires that such be overestimated.

In the first place, it is clear that we cannot consider all the people in the country as identical. In particular twenty-one, Locke establishes a distinction between alternative causes of changed proportions of money to trade corresponding to a distinction between different segments of society, ultimately revealing that it is the behavior of a small number of people on which this relation depends. We must take into account the behavior of international merchants and other unpatriotic, cosmopolitan men, in response to general demand, in order to devise reasonable trade policies. International brokers, merchants and bankers may well be able to profit where the country as a whole loses; they are almost never hurt. The behavior of these men will not easily be squelched, nor does concern for our national health necessarily encourage that it be; yet it must be understood and ordered to the national good.

Lowering the cap on the interest rate will remove money from trade because the incentive to dishoard will be artificially reduced to below the commonly perceived security level of the country, and people will not lend as much. Some money will cease to circulate, and be kept in bankers' hands. The country may at first have the same quantity of specie, but if it is not circulating, it is not *money* in the primary sense. Early in *Some Considerations*, Locke outlined without support the consequences of lowering the interest cap in an environment of international trade and borrowing:

> 3. It will mightily encrease the Advantage of Bankers and Scriveners, and other such expert Brokers: Who skilled in the Arts of putting out Money according to the true and natural Value, which the present State of Trade, Money and Debts, shall always raise *Interest* to, they will infallibly get, what the true Value of *Interest* shall be, above the Legal. For Men finding the Convenience of Lodging their Money in Hands, where they can be sure of it at short Warning, the Ignorant and Lazy will be forwardest to put it into these Mens hands, who are known willingly to receive it, and where they can readily have the whole, or a part, upon any sudden Occasion, that may call for it. (*SC*, 212)

When the interest cap is lowered "either you fall the Price of your Native Commodities; Or lessen your Trade; Or else prevent not the high *Use* as you intended" (224). Which of

these consequences occurs, or in what combination, will depend on the response of potential creditors to the limit. If credit is in fact shut up, then prices will fall and trade will slow down. It will be just as in particular twenty, where the amount of money in the country was reduced overnight. Prices may fall first, but the inertial effect of custom will likely prevent them from moving as much or as fast as one might otherwise expect. Eventually trade and population will decline toward equilibrating prices with competitors abroad. The exchange would not help the situation. Rather, it would in effect retard whatever equilibration might be brought about by price differences. The trader, instead of moving back to the exporting country the whole twenty ounces of silver that he received when he sold his good in the importing country, will be willing to take only eighteen in the exporting country, so that the exchange differential slows the effects predicted by the logic of the price-specie flow mechanism: more specie, higher prices and fewer exports. Or, the exchange causes a 'natural' increase in the value of the shrinking money stock in the importing country.

The response of foreign lenders must also be considered. In the first pages of the work, Locke had asserted that a primary consideration in lowering the legal rate was the difficulty of holding foreigners to our interest laws. If money is borrowed from abroad at natural, not legal rates, then the legal cap only ensures that the interest paid will be paid to foreigners, instead of citizens, "Necessity will still make you borrow where you can, and at the Rates your Necessity, not your Laws, shall set" (*SC*, 225). Borrowing from foreigners, if it is not too great in relation to our trade balance, may well serve to maintain the present trade, and even allow growth. In this situation also, the broker, merchant and banker will thrive, and the country may even do so as well:

> Borrowing of Foreigners upon *Interest* it's true carries away some of our Gain: But yet upon Examination it will be found, that our growing Rich or Poor depends not at all upon our borrowing upon *Interest* or not; but only which is greater or less, our Importation or Exportation of consumable Commodities. For supposing two Millions of Money will drive the Trade

> of *England*, and that we have Money enough of our own to do it; if we consume of our own Product and Manufacture, and what we Purchase by it of Foreign Commodities, one Million, but of the other Million consume nothing, but make a return of Ten *per Cent per An.* we must then every Year be One hundred thousand pounds Richer, and our Stock be so much encreast: But if we Import more consumable Commodities than we Export, our Money must go out to pay for them, and we grow poorer. Suppose therefore ill Husbandry hath brought us to one Million Stock, and we borrow the other Million (as we must, or lose half our Trade) at Six *per Cent.* If we consume one moyety, and make still Ten *per Cent. per An.* Return of the other Million, the Kingdom gets Forty thousand pounds *per An.* though it pay Sixty thousand pound *per An. Use.* So that if the Merchant's Return be more than his *Use,* (which 'tis certain it is, or else he will not Trade) and all that is so Traded for on borrowed Money be but the over-ballance of our Exportation to our Importation, the Kingdom gets by this Borrowing so much as the Merchant's Gain is above his *Use.* But if we borrow only for our own Expences, we grow doubly poor, by paying Money for the Commodity we consume, and *Use* for that Money; though the Merchant gets all this while, by making Returns greater than his *Use.* And therefore Borrowing of Foreigners in it self makes not the Kingdom rich or poor; for it may do either: But spending more than our Fruits or Manufactures will pay for, brings in Poverty, and Poverty Borrowing. (*SC*, 225–6)[34]

Keeping the legal interest near the 'natural' ("the respective rate they find any where without the prescription of law," *SC*, 325), will allow domestic lenders to be rewarded for letting more money loose into trade. Whether borrowing is foreign or domestic, its existence will completely disturb the purported price-specie flow mechanism. Because credit, the velocity of money, may increase to compensate declining amounts of specie, import surpluses will not necessarily lead to lower prices and trade flow reversal. Borrowing is not necessarily inconsistent with national wealth, but when the borrowing is funding net consumption, it is only buying time. Borrowing for consumption leads to a

---

[34]"Now the Kingdom gets or loses by this (for no question the Merchant by low *Interest* gets all the while) only proportionably (allowing the Consumption of Foreign Commodities to be still the same) as the paying of *Use* to Foreigners carries away more or less of our Money, than want of Money and stopping our Trade keeps us from bringing in, by hindring our Gains, *which can be only estimated by those, who know how much Money we borrow of Foreigners, and at what Rate; and too, what Profit in Trade we make of that Money*" (225 emphasis added). One sees Locke's subtle acknowledgment here of the role of the international trader.

vicious circle of more borrowing to pay for further consumption and interest, and an ever deepening hole of impoverishment. The country will *eventually* be forced to take drastic measures to compensate—or cease to be.

It is the varying ratios of national consumption and production—or, as we called it above, 'general demand'—which is the driving force in international economics. The net importing country demonstrates a willingness to incur debt which offsets the price differential which would, in Humes' version, reverse the net flow of trade and transfer money back into that country.[35] This *inertia*, or *friction*, is caused by general consumption habits, which make a longer lasting differential possible, and give internal trade and population in the exporting country a chance to grow, and to thereby become the factor which "equilibrates" prices.[36]

While the floating interest rate doctrine might encourage us to see Locke as a precursor to *laissez-faire* liberalism, and was perhaps used as such, Locke can only be seen this way when one ignores the great emphasis that he puts on the value of money as a pledge, and the great malleability he attributes to habits of production and consumption, and therefore the necessity of encouraging decent and salutary habits.

---

[35]"*Credit will supply the defect of it to some degree for a little while.* But Credit being nothing but the expectation of Money within some limited time, money must be had or credit will faile" (*FP*, 379 emphasis added). Again, Locke's rhetorical target again makes him underestimate the time this may take.

[36]The limited use of a bullion ban which Locke mentions in the twenty-first particular is another kind of friction, but one which he is not anxious to promote because its proper use amounts to a prudent deviation from the correct general principle which he is advocating here.

POLITICAL RHETORIC: BALANCE OF TRADE

I have noted that Locke is much maligned for the mercantilist holdover of emphasizing the benefit of "overballancing" other countries in trade. His peculiar use of the term has led most readers astray, but better readers of Locke must "consider things beyond their names" (*SC*, 247). While he seems to be constantly harping on the need for a positive balance of trade, Locke's usage of the term is very careful, and very different from that of the other writers of his day. In short, in Locke's lexicon, balance of trade is functionally equivalent to what Adam Smith called the "balance of the annual produce and consumption"—'capital formation.'

At least since Smith wrote his masterpiece, economists have mocked concern for the balance of trade. It will be worth a look at Smith's rhetorical destruction of the concept to understand why Locke believed himself to be justified in using it. Smith's polemic is merciless:

> Nothing, however, can be more absurd than this whole doctrine of the balance of trade, upon which, not only these restraints [import bans and duties], but almost all the other regulations of commerce are founded. When two places trade with one another, this doctrine supposes that, if the balance be even, neither of them either loses or gains; but if it leans in any degree to one side, that one of them loses, and the other gains in proportion to its declension from the exact equilibrium. Both suppositions are false. A trade which is forced by means of bounties and monopolies, may be, and commonly is disadvantageous to the country in whose favour it is meant to be established, as I shall endeavour to shew hereafter. But the trade which, without force or constraint, is naturally and regularly carried on between any two places, is always advantageous, though not always equally so, to both. (Smith 1976, 1:513–4)

Smith proceeds to outline instances which prove his point. To show that profit differs from balance he demonstrates that an even balance will not be as profitable to the country which is re-exporting, as to the country that is exporting "native commodities," since the proceeds in the first case will be shared with the original source of the commodities (515–6). Furthermore, even a clearly overbalanced country, and one which pays by the

diminution of their stocks of gold and silver, is helped by the foreign trade, since it allows for the continued manufacture that procured the money in the first place (516–7). Perhaps the argument of Smith's which is most characteristic of the prejudice he spawned, is his ridicule of the arguments against the import of French wine:

> It is a losing trade, it is said, which a workman carries on with the alehouse; and the trade which a manufacturing nation would naturally carry on with a wine country, may be considered as a trade of the same nature. I answer, that the trade with the alehouse is not necessarily a losing trade. In its own nature it is just as advantageous as any other, though, perhaps, somewhat more liable to be abused. The employment of a brewer, and even that of a retailer of fermented liquors, are as necessary divisions of labour as any other. It will generally be more advantageous for a workman to buy of the brewer the quantity he has occasion for, than to brew it himself, and if he is a poor workman, it will generally be more advantageous for him to buy it, by little and little, of the retailer, than a large quantity of the brewer. He may no doubt buy too much of either, as he may of any other dealers in his neighborhood, of the butcher, if he is a glutton, or of the draper, if he affects to be a beau among his companions. It is advantageous to the great body of workmen, notwithstanding, that all these trades should be free, though this freedom may be abused in all of them, and is more likely to be so, perhaps, in some than in others. Though individuals, besides, may sometimes ruin their fortunes by an excessive consumption of fermented liquors, there seems to be no risk that a nation should do so. Though in every country there are many people who spend upon such liquors more than they can afford, there are always many more who spend less. (1:517)

Smith goes on to corroborate his position on grounds that should have no force for him. After appearing to argue that government regulation is irrelevant to consumption propensities, he next argues that the cheapness of wine "seems to be a cause, not of drunkenness, but of sobriety" (518). The thrust of his primary argument depends on moral *neutrality*. We recognize in it the 'rational choice' assumption that every person trading is assumed to be trading to their own advantage, so long as their is no fraud involved. To then support free trade based on moral *improvement* is not at all to the point. We recognize, of course, that this latter is only an argument made for its rhetorical force, and the former is the representative 'classical' attitude. I remark upon it only because it is a representative ambiguity in Smith's account, which is important for

distinguishing him from Locke.

Smith does not ignore that patterns of consumption are important in determining a country's wealth. He rather emphasizes the balance of production and consumption, or the country's rate of capital accumulation:

> There is another balance, indeed, which has already been explained, very different from the balance of trade, and which, according as it happens to be either favourable or unfavourable, necessarily occasions the prosperity or decay of every nation. This is the balance of the annual produce and consumption. If the exchangeable value of the annual produce, it has already been observed, exceeds that of the annual consumption, the capital of the society must annually increase in proportion to this excess. (1:523)

While Smith is correct to say that this balance is generally and conceptually very different from the balance of trade, under certain conditions it is the same. If one assumes that all imports and exports are *consumable* and consumed, then the balances are inseparable. When Locke was writing, the vast majority of all international trade was in fact carried on in consumable commodities. What was not consumable, was constituent products of consumables; it was rarely any kind of manufacturing equipment. Perhaps this general situation alone justifies Locke's employment of the term. Furthermore, however, if we look closely at Locke's usage, we see that he almost always specifically indicates that it is the balance of *consumable commodities* that he is considering.[37] It is his interpreters who carelessly leave out the word 'consumable'.

This allows Locke to speak out strongly in favor of his readership's mercantilist prejudice for over-balance of trade, while keeping the force of his argument consistent with better reason. In other words, for Locke, the *balance of trade* amounts to something more than a particular surplus with a country, or even with all countries. Its basis is a domestic condition or bearing. It is the *fashion* of importing and saving more than one exports and consumes. It is a collective state "of mind," or an ethic. Indeed, when it is

---

[37]See *SC*, 229, 231, 276–7.

appropriate, as in the twentieth particular where he notes that "absolute necessities" might be excepted, he is quick to demonstrate the advantage of certain imports.[38]

Locke is perhaps culpable of allowing mercantilist readers to continue in their prejudiced notions, by not highlighting the care of his usage. But disabusing people of such prejudices is not done overnight, and not always by reasoned speech, and it may have been to the disadvantage of his main purpose here to do so. What Locke is *not* guilty of is actually using the term 'balance of trade' in the dogmatic sense.

Furthermore, it is Smith's account that turns out to be the more superficial and inconsistent one.[39] For example, let us consider the case of the advantage of buying things with monetary metals:

> The balance of produce and consumption may be constantly in favour of a nation, though what is called the balance of trade be generally against it. A nation may import to a greater value than it exports for half a century, perhaps, together; the gold and silver which comes into it during all this time may be all immediately sent out of it; its circulating coin may gradually decay, different sorts of paper money being substituted in its place, and even *the debts too which it contracts in the principal nations with whom it deals, may be gradually increasing*; and yet its real wealth, the exchangeable value of the annual produce of its lands and labour, may, during the same period, have been increasing in a much greater proportion. (Smith 1970, 1:523–4 emphasis added)

Taken just that far, there is no problem with Smith's account. In the end, however, Smith is utterly, and I believe reasonably, opposed to the inevitable consequences of constantly growing public debts. Like Hume and Kant, he has nothing but vitriol for the growing propensity of modern countries, especially England, to fund their war machines by debt—precisely because it mutes the pain of war for some citizens.[40] Furthermore, even the interplay with man's bellicosity aside, the result of great debt is finally harmful:

---

[38]See *SC*, 302, 333, 335.

[39]See Cropsey (1957, esp ch.3) for the central ambiguity in Smith.

[40]See Smith 1970, 2:455.

"When national debts have once been accumulated to a certain degree, there is scarce, I believe, a single instance of their having been fairly and completely paid. The liberation of the public revenue, if it has ever been brought about at all, has always been brought about by a bankruptcy; sometimes by an avowed one, but always by a real one, though frequently by a pretended payment" (2:466–7). Raising or adulterating the coin, he says, has been the most common artifice for pretending to pay the debt, when bankruptcy is the actual result.

So we see that Smith is saying different things out of each side of his mouth. When he would discount the importance of the balance of trade, he allows the national debt to constantly increase, and the metal coin to be replaced by paper money. However, when the consideration of the public debt is the question, debt and devaluation are unmitigated evils. Or, what mitigation there may be in them is bought at the price of disguising the horrors of war, which, in the last event, will not be disguised.

Furthermore, where we saw above that Smith would seem to say that 'private vices' may be 'public virtues', he does not quite say that. In the particular case mentioned he says only that the alehouse trade, on the whole, is not so abused and is advantageous; not that it would still be advantageous no matter how abused, or that harmful abuse was not possible. Elsewhere his panegyric for the parsimonious man approaches hyperbole: "every prodigal appears to be a public enemy, and every frugal man a public benefactor" (1:362). Worse still than private prodigality is public: "Great nations are never impoverished [i.e. ruined] by private, though they sometimes are by public prodigality and imprudence" (1:363). Smith was still able to see the need for healthy habits of production and consumption. Yet his *laissez-faire* approach seems to require great faith in "the profusion or imprudence of some, being always more than compensated by the frugality and good conduct of others" (362). Locke provided more active support for such faith.

Locke closes off his presentation of these particulars saying only: "Sir, *If I have been led a little too far from one thing to another, in the consideration of Money, I beg your Pardon, hoping that these Particulars will afford some light to our present Subject*" (*SC*, 269). While his presentation may not immediately satisfy the modern economist's desire for a systematic approach to the problems—which shows which buttons to push for which results. It does nevertheless tightly interweave all its constituent parts in such a way that they are perfectly comprehensible, with sufficient application in reading. Locke tacitly restricts of the scope of certain 'variables' so that the point of application of government and private efforts which is ultimately best, will also stand in relief as the most obvious. He diverts attention away from areas where he thinks regulation or public effort will ultimately be wasted or inefficient, while at the same time providing indications of a more comprehensive understanding of the political-economic system, and indicating prudent measures for special circumstances. In addition, by assimilating his thought on 'general demand' to the terminology of the 'balance of trade' he befriends a large number of influential followers, without the necessity of immediately reeducating them.

What is most impressive of all, in considering Locke's political art, is that in making his recommendations, Locke has already begun to carry them out. The *fashion of honest industry, sobriety, and frugality* in the country is the supreme independent variable in Lockean political economy. In *Some Considerations* Locke constantly praises these virtues, and condemns their corresponding vices. It is this fashion that *all* of Locke's writings are, in part, designed to promote.[41] Certain civil laws are conducive to the most

---

[41]Wood (1984, ch.6) makes a similar argument.

efficacious working of this fashion, prime among these are the two most apparent recommendations of *Some Considerations*: the interest rate ought to legally float according to 'nature,' and government action regarding it ought to be restricted to affecting those 'natural' circumstances (i.e., providing security); and the country's currency should be strictly tied to silver, the 'universal barter'. These, and some lesser conditions are enabling circumstances, but it is the fashions of consumption, savings and investment which are the premier cause of national wealth.

It is differing fashions between countries that is the root cause of a country's wealth or poverty, and of the most important kind of economic disequilibrium. Where the equilibrium model of 'scientific' economics has price variation more or less immediately changing the behavior of 'consumers', Locke, we might say, accounts for why they are called *'custom*ers'. No matter how much the economist wishes that the economy respond like a well-oiled mechanism, a longer view is necessary for its more prudent government: "For the Currents of Trade, like those of Waters, make themselves Channels, out of which they are afterwards as hard to be diverted, as Rivers that have worn themselves deep within their Banks" (*SC*, 223). The force of habit and fashion affects the economy at every level, from the vent of each and every commodity, to the overall standing of the nation in the world.

It is, in the end, the fashion of living beyond one's means, that sows the seeds of national impotence and unhappiness. And it is particularly among the leading class of citizens that such habits begin, and from which they spread. In England, it is the landowners' fashions that lead the country to prosperity or ruin: "If a neglect of Government and Religion, ill Examples, and depraved Education, have introduc'd Debauchery; and Art or Chance has made it fashionable for Men to live beyond their Estates, Debts will increase and multiply, and draw with them a necessity on Men, first of Incumbring, and then Selling their Estates" (*SC*, 270). The emulation of this fashion will

be disastrous. Therefore, the most needful thing is its reformation:

> And if the Vertue, and provident way of Living of our Ancestors (content with our Native conveniences of Life, without the costly Itch after the Materials of Pride and Luxury from abroad) were brought in fashion and countenance again amongst us; this alone would do more to keep and increase our Wealth, and inrich our Land, than all our Paper helps about *Interest, Money, Bullion &c.* which however eagerly we may catch at, will not, I fear, without better Husbandry, keep us from sinking, whatever contrivances we may have recourse to. 'Tis with a *Kingdom,* as with a *Family.* Spending less than our own Commodities will pay for, is the sure and only way for the Nation to grow Rich. (*SC*, 292)

Once the force of habits, and the currents of trade which they help to establish, are taken into account, the "price-specie flow mechanism" is seen to have a radically different effect than it is superficially taken to have. Yes, a trade imbalance may cause a higher price level in the net exporting country, but it will also coincide with more general security, and a lower interest rate. More money will be available to borrow, more people can borrow to start or expand businesses; there will be more trade, more employment to support a greater population. An ever-growing population and trade will also serve to keep prices close enough to those of neighboring countries to discourage great reversals in the direction of trade flow, at least while the fashion of frugality and industry remains. The friction of time and space which is reflected in the exchange rate will also help to allow this process of trade increase to work.

For the direction of trade to reverse itself, other countries would have to produce things that a sober, frugal and industrious people will demand—i.e., they too will have to learn to be truly productive. Just as England, in order to compete with Holland, needed to emulate "the Industry and Frugality of that People" (*SC*, 302), so would France, Spain or Germany have to do in order to not be overwhelmed by England.

Chapter Five

L'ÉMULE, OR, ON FASHION

> *Where riches are in credit, knavery and injustice that produce them are not out of countenance, because, the state being got, esteem follows it, as in some countries the crown ennobles the blood. Where power and not the good exercise of it, gives reputation, all the injustice, falsehood, violence, and oppression that attains that, goes for wisdom and ability. Where love of one's country is the thing in credit, there we shall see a race of brave Romans; and when being a favourite at court was the only thing in fashion, one may observe the same race of Romans all turned flatterers and informers. He therefore that would govern the world well, had need consider rather what fashions he makes, than what laws; and to bring any thing into use he need only give it reputation.*
>
> Monday, Dec. 12th, 1678

We have seen that Locke's account of the character of money is more complex than it first appears. Its core is the list of particulars. These are not self-explanatory, but rather are embedded in the context of a flowing letter full of incidental comments which elucidate their details and ambiguities. I have argued that this arrangement is designed for political effect. Locke agrees completely with neither of the primary disputants over money questions—with neither 'metallists' nor 'inflationists'. What is more, he apparently does not believe that his own position will be politically effective on its own terms. There is a great danger in revealing the character of money and the economy to artful men who would manipulate the trust that is at its core. Therefore, Locke writes so that only certain readers will take his full meaning. It seems that Locke tries to save for himself and a few readers who share his view the province of supporting the moral fashions which make the great engine of political economy.

In order to understand how Locke's writing was designed to come to light

differently for metallists and inflationists, it is necessary to consider the underlying differences between readers. Where Macpherson says that Locke recognizes class differences in rationality, we might rather say that differences in rationality *make* the distinctions between primary classes for Locke.[1] Locke tells us in the *Conduct* that there are in men's actions and discourses three characteristic defects in regard to reason. Most people suffer from all three defects. A few suffer only from the second and third. A very few from the third alone. The first is the defect "of those who seldom reason at all, but do and think according to the example of others . . ." In the *Essay* he tells us that this is by far the greatest number of men.[2] This great bulk of men would take on faith whatever was the received opinion regarding the character of money. In Locke's day they would have been naive metallists. This brings us to the second and third defects:

> 2. The second is of those who put passion in the place of reason, and being resolved that shall govern their actions and arguments, neither use their own, nor hearken to other people's reason, any further than it suits their humour, interest or party; and these one may observe commonly content themselves with words which have no distinct ideas to them, though in other matters, that they come with an unbiassed indifferency to, they want not abilities to talk and hear reason, where they have no secret inclination that hinders them from being tractable to it.
> 3. The third sort is of those who readily and sincerely follow reason, but for want of having that which one may call large, sound, roundabout sense, have not a full view of all that relates to the question, and may be of moment to decide it. We are all shortsighted, and very often see but one side of a matter; our views are not extended to all that has a connexion with it. From this defect I think no man is free. (*Conduct*, 27)[3]

---

[1]Macpherson, 1962, 238; On men's actual inequality, see *2T*, 54, 304; *Conduct*, 2, 26, "Parts;" *Essay* I, iii, 24, 82; III, x, 34, 508; IV, xx, 2, 707; IV, xx, entire..

[2] *Essay* IV, xx, 18, 719.

[3]Cf. King, I, 223–4 "May 16th 1681.—The three great things that govern mankind are Reason, Passion, and Superstition; the first governs a few, the two last share the bulk of mankind, and possess them in their turns; but superstition is most powerful, and produces the greatest mischiefs." These three defects may be correlated with a propensity to look primarily to one or another of the three moral laws outlined at *Essay*, II, xxviii, 7–13. Those suffering from only the third defect could be roughly characterized as looking, in

Locke tells us that those who suffer not only from the third, universally human and unavoidable defect, but also from the second, are likely, in matters of great self-concernment, to "content themselves with words which have no distinct ideas to them," while they may be quite unprejudiced in other matters. These, one may suppose, will be metallists or inflationists as their "humour, interest or party" dictates. Locke may be seen as persuading passionate men, especially among the landed, that their party interest ought to bias them toward a fixed metallic standard. Inflationists will be found among those who 'know' that the names of money "have no distinct ideas to them," and whose humor or interest leads them to overestimate the power of the government to define it. These Locke tries to shame into giving up their 'sermon', as he turns the respectable opinion of England's people and rulers against them.

His view seems to be that while the inflationists may have a greater theoretical understanding of money as credit, they are wont to overburden the peoples' credulity for the sake of personal gain. The metallists, though their understanding of money may sometimes be simplistically substantialist, have nevertheless the less dangerous view, and are therefore his greater ally in the limited time horizon of practical politics. He therefore uses the two values of money (use value and exchange value) and three different things signified by *money* (coin, coin in trade, and coin times velocity or all trades) to obscure his teaching of money as credit or trust such that the whole story is *indicated* to diligent readers, without offending the tastes of his great ally or unduly strengthening the

---

the first place, to the natural or divine law and viewing the civil law in its light; those suffering from the second as well, to the civil law; and those from all three to the many-named law of "fashion" or "opinion" or "reputation" or "virtue and vice," as he called it in the first editions, "the philosophical law." Both the passionate and the reasonable are also concerned with the law of reputation. First, because most are possessed in turn by passion and superstition, and "he must be made up of irreconcilable Contradictions, who can take Pleasure in Company, and yet be insensible of Contempt and Disgrace from his Companions" (*Essay* II, xxviii, 12, 357). Beyond that, even if unconcerned with reputation as an end, both must consider it as a means.

inflationist hand. As we have seen, in general, his argument in the particulars is symmetrically counterpoised around the central particular, where the differing conceptions yield confused appearances of money's vent: if one's eyes are on the coin in trade as money, then the vent of money will appear as its velocity of circulation; if one includes its velocity in the concept of money, then its vent is the vent of all goods whose trade money serves or total trade; if one asks generically what it is that makes the vent of metal as money, then it is trust.

Different readings of Locke may be salutary for different readers, but only one reading is best, or most complete. The best reading of Locke, Locke's actual position, turns out to be metallist, but it is far from naive. From our point of view, far removed from the problem of recoinage, the key distinction among readers of *Some Considerations* is between the second and third groups—between those who are not naive regarding the relation of money to metal, but who either allow or don't allow their passions and interests to blind them, or let them make "a too hasty choice" in this regard (*Essay* II, xxi, 56, 271). We could say that the most important difference between readers is their degree of open-mindedness. We have seen that the most open-minded approach to the writings of a judicious writer:

> is not to run them over in a hasty perusal and perhaps lodge their opinions or some remarkable passages in our memories, but to enter into their reasonings, examine their proofs, and then judge of the truth or falsehood, probability or improbability of what they advance, not by any opinion we have entertained of the author, but by the evidence he produces and the conviction he affords us drawn from things themselves. (*Conduct* §24, 76)

We have thus far accomplished only part of such a reading. We have taken a close look at the 'particulars' and particularities of *Some Considerations.* Yet the procedure followed has yielded a somewhat disjointed commentary. It remains for us to look at the form of the work as a whole, its position in Locke's corpus and in his overall project.

The complex, *complicated*, structure of *Some Considerations* makes much more

sense when one considers how Locke interlaces his account of the character of political economic variables with a polemic aimed at 'establishing' a fashion which will be the most powerful among those variables.

GENTLEMEN

We have seen in the last sections of Chapter Three that in *Some Considerations* Locke speaks as the 'mouthpiece of the landed.'[4] This is a hallmark of what makes Locke's 'economics' *political.* The book is designed in large part to support the desire among the ambitious to be landed, and to show the landed their interest in understanding the workings of the market. The landholder has the strength to bear "the greatest part of the burthens of the Kingdom," but will do so only if he has "the greatest care taken of him, and enjoy[s] as many Privileges, and as much Wealth, as the favour of the Law can (with regard to the Publick-weal) confer upon him" (280). If the laws regulating trade care for the landed, then the law's concern with money, as well as the concerns of all law-abiding citizens, will be tied up with, and subjugated to, concern for the country.

What came to be known as *economics* simply, abstracts from the ongoing possibility that people, individuals and groups, are free to behave unreasonably, as enemies—to put themselves in a *state of war* with us.[5] Economics would abstract from

---

[4]Cf. Caffentzis 1989, 59–60 and *passim* for a recent taking up of the Marxist standard, reading Locke as a spokesman for the 'bourgeoisie'. We do not differ in our general understanding of Locke's times, only in our estimation of Locke's relation to it. Where Caffentzis sees Locke as a product of his times, I read him as accommodating to them, from a position which is, in a way, untimely.

[5]*2T*, §16, 278: "And therefore declaring by Word or Action, not a passionate and hasty, but a sedate and setled Design, upon another Mans Life, *puts him in a State of War* with him against whom he has declared such an Intention, and so has exposed his Life to the others Power to be taken away by him, or any one that joyns with him in his Defence,

the fact of unreasonable warring behavior. Locke does not disagree over its unreasonableness. Yet, that it is frightening does not lessen the truth of Locke's "strange Doctrine" that everyone has, in the state of nature, the freedom to commit crime, as well as the executive power to punish a criminal. He goes so far in recognizing the unreason of crime as to aver that the enemy of reasonable men, "having renounced Reason, the common Rule and Measure, God hath given to Mankind, hath by the unjust Violence and Slaughter he hath committed upon one, declared War against all Mankind, and therefore may be destroyed as a *Lyon* or a *Tyger*. . ." (2T, 11, 274). He does not disagree with, but only reminds us that the fact remains and is applicable to the tyrant, the objection against this doctrine which says that:

> it is unreasonable for Men to be Judges in their own Cases, that Self-love will make Men partial to themselves and their Friends. And on the other side, that Ill Nature, Passion and Revenge will carry them too far in punishing others. And hence nothing but Confusion and Disorder will follow, and that therefore God hath certainly appointed Government to restrain the partiality and violence of Men. (2T, 13, 275–6)

To understand the unreason of a behavior is not for Locke to claim that reason ought not consider the fact of the behavior as such. Reason is not free to create systems in abstraction from the fact that men are liable to the madness of unreason. Philosophy is not free to be apolitical, or impolitic. In their natural state men are "biassed by their Interest, as well as ignorant [of the law of nature] for want of study of it;" "Passion and Revenge is very apt to carry them too far, and with too much heat," in judging their own cases; and those in the right are not always granted greater force than those in the wrong. The insufficiency and indeterminacy of the whispering voice of reason alone "make[s] them take Sanctuary under the establish'd Laws of Government, and therein seek *the preservation of their Property*" (*2T*, 124–7, 351–2). Reason teaches the tie with all

---

and espouses his Quarrel: it being reasonable and just I should have a Right to destroy that which threatens me with Destruction."

mankind that follows naturally from one's own self-concern, but the bonds of static reason are inadequate, the political compact which determines friends and enemies is a necessary supplement. The quality of that compact in turn depends on reasonable activity. Locke sees to it that the landed men of England are tied more solidly together than their own reason may induce them to be. These men are 'married' to their family's land as a treasured part of their self-identity (2T 72–3, 314–5), and all their land and other possessions are annexed to the community (*2T* 120, 348). Through this they have been tied to the commonwealth by explicit consent to an extraordinary degree (2T, 117–120). To speak a little misleadingly like Rousseau, they have made the 'general will' their own. They are the most complete citizens.[6] Explicit consent is not confined to those who actually have land. Others may ardently strive for the good of the commonwealth—as always with Locke the important criterion is located in one's beliefs or perceptions.[7] The landed class, however, is vested in the interests of the commonwealth in such a way that

---

[6]Cf. Polin 1969, 11: "If this consent is implicit only and comes from the fact that a man possesses property and lives in a commonwealth under the protection of its laws, it engages the obedience of this man, but does not make a full citizen of him." Polin neglects to mention the possibility implied by Locke that men in their wills, or the civil law, could stipulate that property ownership *require* explicit consent.

[7] Not only the force, but a part of the judgment of true citizens becomes located in the State. *2T,* 88, 324–5: "But though every Man who has enter'd into civil Society, and is become a member of any Commonwealth, has thereby quitted his power to punish Offences, against the Law of Nature, in prosecution of his own private Judgment, yet with the Judgment of Offences, which he has given up to the Legislative in all Cases, where he can Appeal to the Magistrate, he has given a right to the Commonwealth to imploy his force, for the Execution of the Judgments of the Commonwealth, whenever he shall be called to it; *which indeed are his own Judgments* (emphasis added), they being made by himself, or his Representative. And herein we have the original of the *Legislative* and *Executive Power* of Civil Society, which is to judge by standing Laws, how far Offences are to be punished, when committed within the Commonwealth; and also to determine, by occasional Judgments founded on the present Circumstances of the Fact, how far Injuries from without are to be vindicated; and in both these to imploy all the force of all the Members, when there shall be need."

they are the best fence against the connivings of merchants, bankers, brokers (the 'bourgeoisie'?), or other 'men of art', who would be quite content to carry the wealth of the nation away. The landed man "is more concern'd in Trade, and ought to take a greater care, that it be well manag'd, and preserv'd, than even the Merchant himself" (*SC*, 272).[8]

Locke's *political* economy accounts for the commonwealth as an alliance of

---

[8]McNally (1988) gives a useful interpretation of the role of land in insulating a political class from the force of 'economic reason', in eighteenth-century political economic thought. See esp. 63 for his brief comment on Locke, and his Conclusion for a general statement. See also Harpham 1985, 578–80.

Aristotle, at *Politics* 3.5: "In oligarchies, on the other hand, it is not possible for a laborer to be a citizen, for sharing in offices is on the basis of large assessments, but it is possible for a vulgar person, since many artisans become wealthy. In Thebes there used to be a law that one who had not abstained from the market for ten years could not share in office"(1278a22–6).

Adam Smith, *Wealth of Nations*, B.I, Ch.xi, end (1976, 276–8): "The interest of ["those who live by rent"] it appears from what has been just now said, is strictly and inseparably connected with the general interest of the society" (276). "The interest of the second order, that of those who live by wages, is as strictly connected with the interest of the society as that of the first" (277). "His employers constitute the third order, that of those who live by profit. . . . the rate of profit does not, like rent and wages, rise with the prosperity, and fall with the declension of the society. On the contrary, it is naturally low in rich, and high in poor countries, and it is always highest in the countries which are going fastest to ruin. The interest of this third order, therefore, has not the same connexion with the general interest of the society as that of the other two" (277–8). "Their superiority over the country gentleman is, not so much in their knowledge of the public interest, as in their having a better knowledge of their own interest than he has of his. It is by this superior knowledge of their own interest that they have frequently imposed upon his generosity, and persuaded him to give up both his own interest and that of the public, from a very simple but honest conviction, that their interest, and not his, was the interest of the public. The interest of the dealers, however, in any particular branch of trade or manufactures, is always in some respects different from, and even opposite to, that of the public. . . . The proposal of any new law or regulation of commerce which comes from this order, ought always to be listened to with great precaution, and ought never to be adopted till after having been long and carefully examined, not only with the most scrupulous, but with the most suspicious attention" (278).

friends *within* the context of potential enemies, threats to bodily survival.[9] The endurance of the potential freedom of the state of nature stands for the enduring necessity of political alliance. It is acknowledgment of others' freedom to be mad—to oppose reason, to oppose me, declare themselves to be my enemy, or to stand outside of or against the common good. Where Hobbes's absolutism recognized explicitly the endurance of the state of nature between countries, it blurred the status within. Locke's liberalism allows the freedom to be mad to appear within the country by tacitly separating the true commonwealth from the merely social or economic grouping of those living within the borders. Locke remembered what Caffentzis calls the 'social other,' although perhaps Locke considered the class to be somewhat larger than does Caffentzis.[10]

Locke's promotion of a fashion of care for the commonwealth reveals the political in his philosophy. Of their own accord, many would not see clear to behave in accord with the best reason. Locke reinforces the strength of men's consent to ally their own with the public interest through his rhetorical lauding of a fashion which insulates the 'political class,' represented by the landed, from brokers and other purely private men. Behavior which results in the giving of our common wealth to another country, or which reduces happiness by fostering unnecessary desires, is not the behavior of a true member of civil society. A kind of 'presumption of innocence' prevents a nominal broker from being labeled a real *enemy*, in the absence of judgment according to the procedure of the law, but he is surely a potential *opponent* at least.

Economics abstracts from the political. If the political persists despite its being ignored, then the logic of economics alone would assimilate the distinction between friend and enemy to that between profitability and unprofitability. No one would be

---

[9]See Schmitt 1976, 26.

[10]Cf. Caffentzis 1989, 46.

fixedly, *custom*arily friend or enemy—economics would ignore the 'friction' of custom here as it does elsewhere. Conversely, and to the same point, if the political were an ultimate category, economic logic would suit it as well as any other.

Locke does not consider the political to be an ultimate category.[11] Landholders are his great ally precisely because they are *not* a purely economic class. The landed live by, and are encouraged to live by, an ethic in which profit as such is given a subordinate role. They are trained in the best case to obey a higher reason or an image of such reason—an image of the law of nature, which is perhaps not itself wholly visible to them. One could say of ethical fashions, as Locke does of "*Municipal Laws* of Countries," that those not "regulated and interpreted" by the law of nature, are no more right than "the Phansies and intricate Contrivances of Men, following contrary and hidden interests put into Words" (2T, 12, 275). We will have to return to the consideration of what it is that makes the pattern according to which the political men of the country are trained. We must first see in more detail how they are trained in fact by Locke.

Political Fashion. Ambitious men follow reason well enough to serve their interests, and so, are capable also of becoming merchants to enrich themselves alone; but Locke seems to believe that, for the ambitious, riches are not in themselves important. It is the *contest* of riches, riches as a means to honor, that fires their souls: "For it being Vanity not Use that makes the Expensive Fashion of your People, the Emulation is, who shall have the finest, that is, the dearest things, not the most convenient or useful" (276). The most important, powerful and potentially dangerous men do indeed strive to have fashionable

---

[11]See the end of Strauss's nobly charitable interpretation of Schmitt in Schmitt 1976, 98–105: "But when he [man] asks the question of what is right in earnest, there arises (given 'the inextricably problematic character' of what this question is about) conflict, life-and-death conflict: by the seriousness of the question of what is right, the political—the division of the human race into foes and friends—is justified" (101).

things, but it is not the materiality of the things that moves them. It is the honor that they perceive to be attached to them:

> *Fashion* is for the most part nothing but the Ostentation of Riches, and therefore the high price of what serves to that, rather increases than lessens its *Vent*. The contest and glory is in the Expence, not the Usefulness of it; and People are then thought, and said to live well, when they can make a shew of rare and foreign things, and such as their Neighbours cannot go the Price of. (*SC*, 277)

Locke is extremely critical of dissolute passions and fashions, but he recognizes and uses the magnitude of the force of fashion in general. Running through the whole of *Some Considerations*, therefore, is the persistent praise and blame which would shape the fashion of the landed, potentially landed, all true Englishmen, and perhaps all mankind. We will see below that Locke also took his reform project more directly to the poor, through government action, but he acknowledges that there is a highest rank of people in society that set the fashion which others follow: "For if those of that Rank are by their Education once set right, they will quickly bring all the rest into Order" (*STCE*, lxiii). He subtly joins disgrace to whatever he sees as decadent in the existing fashion, and praise to what is sober, frugal and industrious. Examples may be multiplied, but perhaps one will suffice.[12]

The landed man trying to learn political economy from Locke learns that "A Kingdom grows Rich, or Poor just as a farmer doth, and no otherwise" (*SC*, 230). This analogy no longer holds in economics, but within a certain view of the political, the civil economy is subject to the same limits as a household. Therefore, to exemplify the national situation, Locke characterizes the accounts of a moderately frugal farmer, showing that if each year he spends a hundred pounds less than he earns, in ten years he will be a thousand pounds richer, or: "If the Owner be a better Husband, and contenting

---

[12]For the most apparent examples of the various effects of fashion, see *SC*, 213, 217, 223, 244, 270–2, 276–7, 279, 291, 292, 295. Cf. Strauss 1953, 60–1n.22; Weber (1958).

himself with his native Commodities, buy less Wine, Spice, and Silk, at Market, and so bring home Five hundred Pounds in Money yearly . . . at the end of ten years he will have Five thousand pounds by him, and be so much Richer" (230). In addition to its effect on civil lawmakers, the example also works its effects on the individual per se, and the message for the individual is clear. If positive exhortation alone does not work the intended attraction, the ensuing vision of the prodigal son's manifold failure may at least arouse some revulsion or fear:

> He Dies, and his Son succeeds, a fashionable young Gentleman, that cannot Dine without *Champane* and *Burgundy*, nor Sleep but in a Damask Bed; whose Wife must spread a long Train of Brocard, and his Children be always in the newest French cut and Stuff. He being come to the Estate, keeps on a very busie Family; the Markets are weekly frequented, and the Commodities of his Farm carried out, and Silk, as formerly, but the Returns are made something different; the fashionable way of Eating, Drinking, Furniture and Clothing for himself and Family, requires more Sugar and Spice, Wine and Fruit, Silk and Ribons, than in his Fathers time; so that instead of Nine hundred Pounds *per Annum*, he now brings home of consumable Commodities, to the value of Eleven hundred Pounds Yearly. What comes of this? He lives in Splendor, 'tis true, but this unavoidably carries away the money his Father got, and he is every year an Hundred Pounds Poorer. To his Expences, beyond his Income, add Debauchery, Idleness, and Quarrels amongst his Servants, whereby his Manufactures are disturbed, and his Business neglected, and a general Disorder and Confusion through his whole Family and Farm: This will tumble him down the Hill the faster, and the Stock, which the Industry, Frugality and good Order of his Father had laid up, will be quickly brought to an end, and he fast in Prison. A Farm and a Kingdom in this respect differ no more than as greater and less. We may Trade, and be busie, and grow Poor by it, unless we regulate our Expences; If to this we are Idle, Negligent, Dishonest, Malitious, and disturb the Sober and Industrious in their Business, let it be upon what pretence it will, we shall Ruine the faster. (*SC*, 230–1)

It may serve to further remind us of Locke's clearsightedness in recognizing the unbanishable force of unreason in human affairs, to consider that, while on one hand he blames, even sneeringly derides, living on foreign luxuries, on the other he recommends policies that profit from its ultimate intractability.[13] He points out that because of the

---

[13]Rousseau (1978, 235), after recommending high luxury taxes, adds that: "It is a great misunderstanding of men to believe that once seduced by luxury, they can ever renounce

character of emulation, the market for luxuries does not respond to taxes in the same way that the market for necessities does. When a tax is laid on ordinary domestic commodities, "every one makes as sparing a use of them as he can," and the farmer, to compensate some for the higher price to the consumer due to the tax, must himself receive a lower price or not sell them at all. But the merchant importing luxuries "will never continue to Trade in Wares, which the change of Fashion, or Humour, amongst your People, has made less vendible" (276). However, since the appeal of foreign luxuries is often precisely the price, taxing them will not necessarily lessen their vent. "Have not several of our own Commodities offered to Sale at reasonable Rates been despised, and the very same eagerly bought and brag'd of, when sold for *French* at a double Price?" (276). Taxes raised on foreign luxuries may discourage vicious behavior. If they do not, they may profit the Kingdom.

It is the particular *ethic* that Locke works to establish which insinuates into his passionate readers the proper connection between the two aspects of money that we have called their storage and exchange values.[14] It is useful to compare Keynes here. Keynes

---

it. They would a hundred times sooner renounce necessities, and would prefer to die of hunger rather than of shame."

[14]With an eye toward refuting Weber's basically historicist account, we could loosely call this ethic the *Protestant Ethic*. But this is not Locke's conception. Christianity is for Locke much broader than the concern for wealth, which is subservient. He certainly did not espouse the 'Calvinist' version of the doctrine of election, and so could not see wealth as a worldly mark of such. From King II, 98–9: "I cannot see of what use the Doctrine of Election and Perserverance is, unless it be to lead men into presumption and a neglect of their duties, being once persuaded that they are in a state of grace, which is a state they are told they cannot fall from." For how salvation by grace does *not* preclude the need for works, see *Paraphrase,* 576, 628–30. *Reasonableness*, §179, 135: "And therefore St. Paul tells the Galatians that that which availeth is faith, but "faith working by love." [5.6] And that faith without works, i.e., the works of sincere obedience to the law and will of Christ, is not sufficient for our justification, St. James at large, chap.2."

I call Weber's account historicist because it is upon historicist faith that the imperviousness of the realm of values to reason rests. See Strauss, 1953, 36–7.

saw that it was psychological variables such as the *propensity to consume* and *liquidity preference* which linked these two aspects of money. In his theory Keynes accepts those propensities as given, and suggest ways in which government behavior might 'fool' and overwhelm the limiting aspects of those propensities.[15] Keynes thought that Locke had simply failed to understand such connections. Perhaps he thought that Locke saw them as mechanically connected in the way of his 'classical' successors. Locke's project will be far more thoroughly understood if we see him as having already realized the limited ability of the government to accomplish such feats as Keynes advised, and having quietly worked to change precisely those psychological propensities which Keynes took as given.[16] In other words, Locke's approach presumes that it is only by *changing people's minds* that one can help them to true long-term security, external as well as internal.[17]

The Work Ethic in the Body of Locke's Work. All through Locke's corpus one finds him supporting an ethic among the ambitious. In *Some Thoughts concerning Reading and Study for a Gentleman*, as well as in several letters, Locke offers reading lists for people of the 'gentle' class who would better themselves or their children.[18] As public men, "the studies which more immediately belong to [their] calling are those which treat of virtues

---

[15]See Caffentzis 1989, 93–5, 225–6 on Keynes's version of what one might call 'noble lying.'

[16]Cf. Keynes 1935, 93, 98, 109–112, 195–6.

[17]Cf. Caffentzis 1989, 241–2.

[18]Wood 1984: "With the economic problems always in the background, the corruption of the gentry seems to have been one of Locke's major preoccupations in writing *An Essay Concerning Human Understanding* and *Some Thoughts Concerning Education.* In each case the solution was education, the cultivation of the mind, so that the enlightened individual would approach the problems of ordinary life from a dispassionate, rational, calculating, and self-directed perspective" (48). Wood attributes this effort to agricultural transformation in England over the previous two centuries.

and vices, of civil society and the arts of government, and so will take in also law and history" (*Reading*, 398). The 'work ethic' that Locke encourages is not only applicable to the art of acquisition, or at least not only the acquisition of material wealth. It works equally well toward the acquisition of patriotic honor, or wisdom—or, it works toward life and liberty, as well as estate. Locke would let any gentleman feel the shame of the baseness of lacking a concern for the truth. In the *Essay* he makes space to mock and shame those among the rich who, not having the excuse of the poor of the press of necessity, allow the "hot pursuit of pleasure, or constant drudgery in business," "Laziness and Oscitancy," or an "aversion for Books, Study, and Meditation," to turn them from searching for truth. They succumb to "fear, that an impartial enquiry would not favour those Opinions, which best suit their Prejudices, Lives, and Designs, [and they] content themselves without examination, to take upon trust, what they find convenient, and in fashion" (*Essay* IV, xx, 6, 710). In case a little derision does not move these men to study, or at least to speak of study in a way that will raise it in the estimation of others, then a great deal of derision, capped off with some real cause for fear may have a better effect:

> How Men, whose plentiful Fortunes allow them leisure to improve their Understandings, can satisfy themselves with a lazy Ignorance, I cannot tell: But methinks they have a low Opinion of their Souls, who lay out all their Incomes in Provisions for the Body, and employ none of it to procure the Means and Helps of Knowledge; who take great care to appear always in a neat and splendid outside, and would think themselves miserable in coarse Cloaths, or a patched Coat, and yet contentedly suffer their Minds to appear abroad in a pie-bald Livery or coarse Patches, and borrowed Shreds, such as it has pleased Chance, or their Country-Tailor, (I mean the common Opinion of those they have conversed with,) to cloth them in. I will not here mention how unreasonable this is for Men that ever think of a future state, and their concernment in it, which no rational Man can avoid to do sometimes: nor shall I take notice what a shame and confusion it is, to the greatest Contemners of Knowledge, to be found ignorant in Things they are concerned to know. But this, at least, is worth the consideration of those who call themselves Gentlemen, That however they may think Credit, Respect, Power, and Authority the Concomitants of their Birth and Fortune, yet they will find all these still carried away from them, by Men of lower Condition who surpass them in Knowledge. They who are blind,

> will always be led by those that see, or else fall into the Ditch: and he is certainly the most subjected, the most enslaved, who is so in his Understanding. (*Essay* IV, xx, 6, 710–11)

Some of the things that these men are "concerned to know" are the things relating to the theories of *Some Considerations*: the well-ordering of trade, the good-husbanding of their estates and of the country's wealth, the responsibility for which is the price of their privilege. Care for these has gone out of fashion; the "neglect of Government and Religion, ill Examples, and depraved Education, have introduc'd Debauchery; and Art of Chance has made it fashionable for Men to live beyond their Estates" (*SC*, 270). The result has been that this 'general *ill Husbandry*, and the consequence of it, *Debts*" has weakened the trade of the country, and so the price of its land.

We find the same themes in the *Conduct.* Locke there finds occasion to characterize the knowledge of people of different social ranks. Most may be excused by the necessity of the pressing need to work hard for their living, the country gentleman may not:

> The day-labourer in a country village has commonly but a small pittance of knowledge, because his ideas and notions have been confined to the narrow bounds of a poor conversation and employment: the low mechanic of a country town does somewhat outdo him: porters and cobblers of great cities surpass them. A country gentleman who, leaving Latin and learning in the university, removes thence to his mansionhouse, and associates with neighbours of the same strain, who relish nothing but hunting and a bottle: with those alone he spends his time, with those alone he converses, and can away with no company whose discourse goes beyond what claret and dissoluteness inspire. Such a patriot, formed in this happy way of improvement, cannot fail, as we see, to give notable decisions upon the bench at quarter-sessions, and eminent proofs of his skill in politics, when the strength of his purse and party have advanced him to a more conspicuous station. To such a one, truly, an ordinary coffee-house gleaner of the city is an arrant statesman, and as much superior to as a man conversant about Whitehall and the court is to an ordinary shopkeeper. (*Conduct*, 31–2)[19]

Locke would be pleased if every country gentleman tried to change his ways. He

---

[19]See also *STCE*, §207, 180–1; contrast *Essay* IV, xx, 2, 707 with IV, xx, 6, 710.

recognizes, however, that, like the "learned Professor," with his "forty years standing wrought out of hard Rock Greek and Latin," who will not have the system of his thought "in an instant overturned by an upstart Novelist" (*Essay* IV, xx, 11, 714), these men are often too set in their ways to make timely changes. It is therefore in *Some Thoughts Concerning Education,* with the education of the children of the gentry, that Locke embarks on his most serious and far-reaching reform:[20] "I am saying what I think should be; which if it were already in Fashion, I should not need to trouble the World with a Discourse on this Subject" (*STCE*, §39, 26). To do justice to that book would require a volume, but it will be worth glancing at a couple of particularly relevant aspects of it.[21]

The overriding theme of the book is that the possibility of any happiness in life that is more than evanescent relies on learning to use one's reason to restrain and direct one's passions:[22] "It seems plain to me, that the Principle of all Virtue and Excellency lies in a Power of denying our selves the Satisfaction of our own Desires, where Reason does not authorize them. This Power is to be got and improv'd by Custom, made easy and familiar by an *early* Practice" (§38, 25):

> He that has not a Mastery over his Inclinations, he that knows not how to *resist* the Importunity of *present Pleasure or Pain*, for the sake of what Reason tells him is fit to be done, wants the true Principle of Virtue and Industry, and is in danger never to be good for any Thing. This Temper therefore, so contrary to unguided Nature, is to be got betimes; and this Habit, as the true Foundation of future Ability and Happiness, is to be wrought into the Mind as early as may be . . ." (§45, 29)

The child who learns to obey a parent's reason in foregoing candy, will with practice

---

[20]Rousseau, 1978m, 222: "Now training citizens is not accomplished in a day, and to have them as men they must be taught as children." Rahe 1991, 40: "For it is only by reforming the family that one can transform the 'law of reputation'."

[21]For this justice done, see Tarcov 1984. On the theme more generally, see also Horwitz 1977.

[22]On the evanescence of bodily pleasures, see *Ethica*, 29–30.

learn to obey his own adult reason in foregoing enervating and finally unsatisfying 'pleasures.'[23] "Men's Happiness or Misery is most part of their own making" (§1, 1), and the most important tool in the process of making it is habituation: "to a fond Parent, that would not have his Child corrected for a perverse Trick, but excus'd it, saying it was a small Matter, *Solon* very well reply'd, *Aye, but Custom is a great one*" (§34, 21).[24] Outside of 'mere' repetition, the parents' chief tools in forming the God-given natures of their children toward this submission to reason are not precepts, commands and punishments—except as last resorts in otherwise incorrigible cases—but positive and negative recognition:

> Fear and Awe ought to give you the first Power over their Minds, and Love and Friendship in riper Years hold it. . . . Every Man must some Time or other be trusted to himself and his own Conduct; and he that is a good, a virtuous, and able Man, must be made so within. And therefore what he is to receive from Education, what is to sway and influence his Life, must be something put into him betimes; Habits woven into the very Principles of his Nature, and not a counterfeit Carriage, and dissembled Outside, put on by Fear, only to avoid the Present Anger of a Father who perhaps may disinherit him. (§42, 28)

The main problem with educating by command, is that, because our given human nature loves freedom and control, compulsion often yields long-term results which are the opposite of those desired:

> None of the Things they are to learn, should ever be made a Burthen to them, or impos'd on them as a *Task.* Whatever is so propos'd, presently becomes irksome; the Mind takes an Aversion to it, though before it were a Thing of Delight or Indifferency . . . . Children have as much a Mind to shew that they are free, that their own good Actions come from themselves, that they are absolute and independent, as any of the proudest of you grown Men, think of them as you please. (§73, 52–3)[25]

The love of control or power, "the first Original of most vicious Habits," may also show

---

[23]*STCE*, §36, 22–3.

[24]See §§64–6, 38–40.

[25]Cf. §§74–6, 53–6; §103, 83; §108, 87–8; §118, 103–4; §128, 110; §§148–151, 129–32.

itself in whining and willfulness, or in the undue love of property, which are not to be tolerated. The only appetite which ought to be encouraged, of those mentioned in connection with the love of liberty and power, is curiosity: "*Curiosity* should be as carefully *cherish'd* in Children, as other Appetites suppress'd" (§108, 87). It should be encouraged "not only as a good Sign, but as the great Instrument nature has provided to remove that Ignorance they were born with; and which, without this busy *Inquisitiveness*, will make them dull and useless Creatures" (§118, 103).

It is not physical so much as mental pain and pleasure that are the catalysts of Lockean education. Fostering a concern for reputation in children serves as a means for beginning to turn their attention from bodily concerns to reducing the uneasiness of internal dissonance:

> Concerning *Reputation*, I shall only remark this one Thing more of it, that though it be not the true Principle and Measure of Virtue, (for that is the Knowledge of a Man's Duty, and the Satisfaction it is to obey his Maker, in following the Dictates of that Light God has given him, with the Hopes of Acceptation and Reward) yet it is that which comes nearest to it; And being the Testimony and Applause that other People's Reason, as it were by a common Consent, gives to virtuous and well-order'd Actions, it is the proper Guide and Encouragement of Children, 'till they grow able to judge for themselves, and to find what is right by their own Reason. (§61, 36–7)

The book learning part of Locke's education is secondary. It is not scholars, but gentlemen that he trains: "Learning must be had, but in the second Place, as subservient only to greater Qualities" (§147, 129).[26] We have seen the kind of study that should be a gentleman's main employment. Rest from that study ought to be some physical pursuit,

---

[26]Rousseau 1978, 219: "A worthy student of Socrates would be the most virtuous of his contemporaries, a worthy emulator [émule] of Cato would be the greatest. The former's own virtue would constitute his happiness; the latter would seek his happiness in that of all others. We would be taught by one, but ruled by the other, and that alone would determine our preference. For a people of wise men has never been formed, but it is not impossible to make a people happy." Locke, if I have understood him, would not go so far as claim to have all the knowledge necessary to make this decision. For the role of 'indirect rule' in Rousseau, see Melzer 1990, 244–9.

for which he especially recommends gardening, citing the ancient authority of Xenophon and others.[27] His ultimate recommendation before he discusses the folly of the tradition of sending twenty-year-old boys to the continent to 'finish' their educations, is that young gentlemen be taught accounting:

> *Merchants' Accompts*, tho' a Science not likely to help a Gentleman to get an Estate, yet possibly there is not any thing of more Use and Efficacy, to make him preserve the Estate he has. 'Tis seldom observed, that he who keeps an Accompt of his Income and Expences, and thereby has constantly under view the Course of his domestick Affairs, lets them run to ruin: And I doubt not but many a Man gets behind-hand before he is aware, or runs farther on when he is once in, for want of this care, or the Skill to do it. (§210, 183)[28]

Locke's educated gentlemen, we must remember, will find their most proper employment in seeing to it that England's trade is well ordered to the common good of each.

FASHION AGAINST FASHION

Before taking up the discussion of Locke's *template for* fashioning the character of his new gentlemen, we ought to consider briefly that it is an odd characteristic of the kind of fashion Locke would insinuate that it must come to light as itself against the force of fashion. *Some Thoughts Concerning Education*, for example, is written to "give some small Light to those, whose Concern for their dear little Ones makes them so irregularly bold, that they dare venture to consult their own Reason in the Education of their Children, rather than wholly to rely upon old Custom" (*STCE*, 217, 188). Parents are to consult their own reason, however, in the pages of Locke—the *authority* for *self-reliance*! This paradoxical characteristic runs all through his work.

The question is: What is the character of Locke's 'individualism'? Can we

---

[27]*STCE*, §204, 178–9.

[28]See also §211, 183–4.

reasonably see Locke as a precursor to the thought of extreme modernity which takes cultural and even individual values to be beyond the questioning of reason? This premise lies behind both social science economics and laissez-faire governmental policy, in addition to more extreme doctrines. It is also in stark contrast to the classical assumption of one best life to which all others may be reasonably compared. The classical view led to a political science which entailed a role for custom or moral regimen in shaping a citizenry to a healthy way of life. Is it possible that Locke privately retains the classical position, but that he has reasons for shaping his rhetoric such that it appears to be individualistic? We have seen hints of why Locke may have wanted to conceal the role in his political economy of a fashion of industry, in the name of security from those who might abuse the force of fashion to their own short-term profit. We have seen also that Locke holds as a pedagogical principle that whatever is proposed to proud people as a "task," "presently becomes irksome" (STCE §73, 52–3). The reason for instituting a custom which belittles the role of custom is perhaps most readily understood, however, through the consideration of Locke's understanding of Christianity.

One finds most explicitly in Locke's journals, but sufficiently in work he chose to publish, a consistent critique of the abuse of the true Christian teaching by what we might call the 'priestly class'.[29] It is well-known that it is his fight against the existing harmful

---

[29]This critique will be discussed further in the Conclusion of the present study. In King 1830, see "Sacerdos" (2:82–92), "Error" (2:174–5) and "A Defense of Nonconformity" (196–218). Of the published works, the critique is perhaps most deducible from *Toleration* and the *First Treatise*. See also Kraynak (1980), for a searching analysis of the journal entries' relation to Locke's published political philosophy. Kraynak finally takes Locke too far toward Hobbes's absolutism. Locke never in his own name calls the magistrate 'sovereign,' for example. He reserves that title to God alone. The most successful prince may only be 'godlike' (*2T*, §42, 298). Zuckert (1994, 268) agrees with Kraynak that one may reasonably say that Locke divorced prudence from morality: "Locke treats the spoilage limitation less and less as a moral limitation and more and more as a prudential one." Divorcing Lockean prudence from morality, when the texts themselves remain *at least* ambiguous, seems to me to be a

intermingling of church and state that makes Locke the first modern liberal. His is not a fight against Christianity, but against its abuse. We ought not to lose sight of the political exigencies that may have affected Locke's style of writing in the fight against those who profited from what Hobbes called the 'Kingdom of Darknesse'. [30] True Christianity, in Locke's opinion, must acknowledge that "there is absolutely no such thing under the Gospel as a Christian commonwealth" (*Toleration*, 117). Jesus did not change ancient forms of government, rather, "He taught the faith and conduct by which individuals might obtain eternal life, but he instituted no commonwealth" (117). Christians will of course want their fellow men to convert to their true religion, but the New Testament never enjoins the use of physical force, private or public, in accomplishing this end. The civil magistrate's legitimate use of force to protect the property of its members does not come from God's immediate grant, and is not properly applied to spiritual conversion.

---

dubious approach. Manent (1987) offers in the first chapter a good brief account of how the theologico-political problem, the uncertain relations between the Roman Church and Kings, acted as a motor of political and theoretical change in the late middle and early modern ages.

[30]We might speculate that Locke's difference from Hobbes relies ultimately on a different approach to, and understanding of, the 'Kingdom of Darknesse,' the theologico-political situation. Where Hobbes would weaken priests' power by submitting them to the Leviathan, Locke would do it by utterly separating them from the King. Severing them from force would have a centrifugal, 'factionalizing' effect. Otherwise put, Hobbes thinks that the way to diminish the power of priests is to erase peoples belief in invisible powers, i.e., promote atheism amongst some in order to promote fear of death and worldly dishonor above the fear of sin and damnation, thus to reduce priestly tyranny among the pseudo-ambitious. (Cf. Strauss 1953, 196) Locke must allow this reading for its effectiveness in *Essay* II, xxi, and in his account of the state of nature as war. But he does not leave it at this. Rather, he promotes search for truth and a civil religion as strong and weak versions of *Christianity*, respectively. His liberalism depends on the insolubility of doubt, and importance of faith. Locke would insist that contentment relies not on erasing the belief in the possibility of invisible powers, but 'erasing' the belief in the possibility of *knowing* the invisible powers: if it must be termed willing, then human wisdom is the willing of ignorance, or following our natural ignorance to its ultimate dependence on faith.

Furthermore, when it is improperly so applied, it is not efficacious, because "true and saving religion consists in the inward persuasion of the mind, without which nothing has any value with God; and such is the nature of human understanding, that it cannot be compelled by any outward force" (*Toleration*, 69). "Even God himself will not save men against their wills" (91).[31]

We cannot help but notice that denying the efficacy of force in changing people's minds about God ignores the *force of habit.* Perhaps Locke did not think that priests fighting for temporal power for the Church, for their own illegitimate power, needed his own guidance in understanding the workings of this insinuating force that makes itself a kind of second nature. (One might reasonably lament today that commercial advertisers have learned so much about it.) Yet Locke *does not simply deny* the force of habit, and he is not blind to the real effect of illegitimate magisterial force.[32] He places, if not fashion itself, at least the actions directly influenced by it, at the key central place in the division of church and commonwealth, the realms that the marking of the distinction between, is "necessary above all" (*Toleration*, 65):[33]

> Uprightness of conduct, which constitutes not the least part of religion and sincere piety, concerns civil life also, and in it lies the salvation both of men's souls and of the commonwealth. Moral actions belong therefore to the jurisdiction of both the outward and the inward court, and are subject to both dominions, of the civil as well as the domestic governor: I mean both of the magistrate and of conscience. Here, therefore, there is a risk

---

[31]See also *Toleration*, 101, 125.

[32]"There are two sorts of contests amongst men, the one managed by law, the other by force; and these are of that nature that where the one ends, the other always begins. But it is not my business to inquire into the power of the magistrate in the different constitutions of nations. I only know what usually happens where controversies arise without a judge to determine them. You will say: Then the magistrate, being the stronger, will have his way and carry his point. I reply: Quite true; but the question here is about the rule of right action, not the outcome of doubtful cases" (*Toleration*, 131).

[33]Cox (1963, 248–54) argues convincingly that *Toleration* is the central pivot of the Lockean corpus. This passage is a kind of center of the piece.

> that one of these may infringe the right of the other, and that strife may arise between the guardians of the peace and of the soul. But if what I have said above on the limits of each government be rightly considered, it will easily remove all difficulty in this matter. (123)

It can be no surprise to anyone who has thought more than a moment about the mode of being of the state for a 'subjectivist' such as Locke, that the division between church and state, or the limits of government power, must finally rest in the *mental habits* of citizens. Legitimacy lives in common opinions. The mutability of beliefs allows manipulation.

The tool which the magistrate, or anyone, in his private capacity may use, which Locke himself used with huge success, to "draw the heterodox to truth, and procure their salvation" (*Toleration*, 69), is "charitable admonitions, and endeavours to refute men's error, which are indeed a Christian's great duty. Anyone may employ as many exhortations and arguments as he pleases for another man's salvation; but all force and compulsion must be forborne, and nothing be done for the sake of dominion" (125). The appropriate tool for changing the beliefs of natures such as ours is the tongue, not the sword. "In teaching, instructing, and correcting the erroneous by arguments, he certainly does what becomes any good man to do; the magistrate is not obliged to put off either humanity or Christianity" (69).[34]

From a certain perspective, perhaps, the practical marriage of force and leading

---

[34]See also 79, 91. Cf. Rousseau, 1964, 141–2; Hooker 1989, 91, Cicero *De Officiis* II, xii, 4–2, 208–11. For alternative views on Locke and the problem of civil religion, see Sandoz 1972; and Zuckert 1986. At the end of a remarkable passage in the *Essay* in which Locke exhorts to the ethic of 'social charity' which follows from his own contemplation of human life in faith, he indicates why persuasion, not force, is the proper tool for bringing men to right reason, and the political implications of this: "Those who have fairly and truly examined, and are thereby got past doubt in all the doctrines they profess and govern themselves by, would have a juster pretence to require others to follow them: but these are so few in number, and find so little reason to be magisterial in their opinions, that nothing insolent and imperious is to be expected from them: and there is reason to think, that, if men were better instructed themselves, they would be less imposing on others" (*Essay* IV, xvi, 3–4, 659–61). Cf. Plato *Republic* 516d–517a.

ideas is as indissoluble as the classic political teaching had it, but *only* the success of a private ethic has any chance at inducing the magistrate to forswear censorship or otherwise reducing the insidious influence of the clergy. Remember Locke's opinion that "the properest way to prevent the evil, is to shew them the danger and injustice of it, who are under the greatest temptation to run into it" (*2T*, 226, 415–6).

It might well be argued that Locke has a too sanguine faith that the very airing of reasonable arguments will work to enlist fashion into the service of reason. By teaching that laws ought to allow even "false and absurd" opinions, and letting the truth "shift for herself" (*Toleration*, 123), does he not deny to truth a great weapon which falsehood will not hesitate to use? In addition to smacking a little of decadent self-loathing in us for whom the force of Locke's faith has been made manifest in the form of our current system, this opinion also requires complete abstraction from the seriousness of the specific character of the kind of abuse of the truth against which Locke was fighting.

Locke's 'privatization' of the classic teaching of moral virtue and political prudence—the division of the functions of the classical 'regime' into a conventional government, and a private fashion—is possible because, no matter how the force of rulers and the persuasion of beliefs about right or an ethic of justice may in fact be combined, they are, from another point of view, entirely separate.[35] In the best case, beliefs, as opposed to statements, cannot be coerced from without. This is the basis for Locke's division of commonwealth and church, and the liberal division of state and society. To the extent that this belief takes hold among the public, one aspect of political control, this 'philosopher's law,' or law of fashion, is put into the hands of 'opinion leaders'—or, in the case of abdication of this responsibility, is left to chance.

---

[35]In Aristotle *Politics* [3, 8, 5–8, and 3, 9, entire] one sees that one important conception of the character of regimes does not depend on *who* rules, but on the idea of justice which is most favored among the populace [3, 17] and thereby legitimizes the rule of a certain group. In 3.8 especially he indicates the primacy of this conception.

Within the prevailing Thomistic marriage of Aristotle and Christianity it was impossible to effect this divorce. The politics of virtue, as married both to religion and to teleological physics and metaphysics, made impossible the job of controlling priestly influence in politics. Locke had to *appear* to forego the politics of virtue, and Aristotle had to *appear* as the opponent. The modern power teaching of Descartes, Hobbes and company offered the terminology in which Locke put into place a new synthesis. Beauty and truth, however, are "smuggled in" by Locke at the question of *what* feels pleasure, or perceives cause—i.e., they appear in Locke's political teaching in the ambiguity of *right,* or *property right,* which both ground on the notion of the individual agent, the *person* or *self.* For Locke, in the end, pleasure and power are themselves only means.

Where Aristotle used the language of virtue as a set of terms common to both those who viewed freedom and those who viewed wealth as the greatest claims to rule, Locke provided a new vocabulary of property and rights to serve as the coin of the realm between them. The factions all speak the language of property rights, but look in different degrees to life, estate or liberty. In order to do this it was necessary to alter the common approach to knowledge, to develop an 'epistemology of power'[36]—but this is only the surface of a teaching which, more profoundly considered, still relies on the classic teleological conception of reason and philosophy. We will return to this below.

The purely modern account of life and reason in terms of power *alone,* degenerates to an account in which we can no longer reasonably account for *our* reason, for our *selves.* The 'individual' loses his pretended indivisibility to become only the transitory product of the historical forces that make him up, which immediately dissipate in other directions. We no longer know *what* feels pleasures, or perceives power. As a matter of honorable consistency with this instrumental conception or reason, for probity's

---

[36]Though perhaps his own account falls short of giving it full consideration, it seems reasonable of Caffentzis to ask: "Is epistemology 'above' politics?" (237).

sake, we would no longer allow ourselves even the *question* of *what* does anything. Moderns like Hobbes and Rousseau claim that the body is *what* feels power. While this may once have been polemically effective with 'mud-wall minds,' we intellectuals of today know better.

Locke's account, because of its complexity, is not touched by this devolution. It is in Locke's doctrine of the *self* that one finds essentially classical accounts of genetic perfection that work on those ambitious for both honor and truth. The naturalness that Aristotle allowed to the city was in its natural role as a means to the life of virtue. In Locke, this naturalness is displaced from government into the *social* self. It is in self-understanding that one finds the ultimate Lockean teaching on *natural law.*

If the present understanding of Locke's project is correct, then in *Some Considerations* and elsewhere, when we see Locke crusading for a new fashion, a work ethic, we are indeed witnessing an attempt "to make the world over"—a monumental project to alter the world, inasmuch as it alters the way people think about their world. Locke believes that the human soul is very malleable, but he abstracts from this malleability as a fact abusable by those who would mold the souls of others to their own profit—priests, but also the most dangerous brokers. Locke's rhetoric aims to help men to have enough faith in themselves to dig their way out of the ravages of holy war, without so demolishing his faith that man is tempted to build monuments to man alone, which must fall of their own weight. His success is not unmixed with failure.

Having suggested this possibility, we must demonstrate precisely how Locke's account of the *self* and self-concern may be read to best understand the philosophy that lies behind the thought of this founder of our liberal regimes. In order to see how thoroughly it is tied in with his political economy we will approach the question of the self from the problem of the role of 'economic law' in Locke's account.

NO JUSTICE WITHOUT CHARITY

Locke, like all other political philosophers, taught that decent actual regimes operated on the principle of the rule of law. Rousseau, with characteristic flare, summarizes the hopes for the rule of law over the natural human propensities toward passion and superstition:

> By what inconceivable art could the means have been found to subjugate men in order to make them free; to use the goods, the labor, even the life of all its members in the service of the State without forcing and without consulting them; to bind their will with their own consent; to make their agreement predominate over their refusal; and to force them to punish themselves when they do what they did not want? How can it be that they obey and no one commands, that they serve and have no master, and are all the freer, in fact, because under what appears as subjugation, no one loses any of his freedom except what would harm the freedom of another. These marvels are the work of the law. (*PE* 214)[37]

C.B. Macpherson has argued that Hobbes, Locke and other "possessive individualists," saw that the market itself, if properly understood and supported, could supply the basis for a rule of law which, while the product of men in their individual behaviors, did not embody the will of any one or group of men in its totality, such that it would raise the resentment of others:

> The possessive market society has the unique characteristic that in it the value or worth of every man is determined by the market. Values, entitlements, and hence actual rights, are in fact determined by a force which is neither purely subjective nor supernatural. Hobbes seized on this and concluded that no other standard of value or rights was needed: the old ideas of commutative and distributive justice, based on a standard of right that stood outside of and above any facts, were in his view entirely superseded. A standard of value was provided by the facts of the market system. He thought it could be taken as a standard of justice because it met one requirement of any moral principle, that is, it transcended each man's subjective desires. Hence it could be thought to render unnecessary any further reliance on moral principles imported from outside the facts. (Macpherson 1962, 80)[38]

We have seen that even Aristotle recognized the exchange of commodities as a

---

[37]Cf. Melzer 1990, 98–100.

[38]See also 63–4, 85–7; cf. Hobbes *Leviathan*, I, 15, 207–8.

foundation of political justice.[39] Locke agrees, but to his best readers he would insist that we keep in mind the *locus* of the existence of market value or market justice. When one considers in a purely scientific manner, a posteriori, one must remember that they are artifacts of the thinker's reason. Strictly speaking, as a topic for scientific consideration, the market *exists only in people's heads*. Market justice, 'the economy', is a systematic *account* of the relations of individuals commercing with one another. More precisely, it is a system of definitional predicates—things whose nominal and real essences are the same, which exist only by definition. Its fundamental axioms are: first, the equality of participant individuals in the sense that their needs are in some sense homogeneous or homogenizable, commensurable; secondly, reciprocal recognition by those individuals of such homogeneity, who act properly when they abstract from all 'accidental' or particular content and treat others on the basis of the 'greenness,' the homogeneity, of their money; third and finally is the assumption that all individuals are voluntary agents, that they are free to act, including by abstention, in situations where commerce with others is possible.

When we change our perspective to consider the behavior of individuals within an ostensible market, we must remember that the interactions of these constituents proceed on the basis of the *judgment* of the individuals involved. Money allows their commensuration, but always from two different perspectives, that is, each person is related to the common language of monetary units in a way which is unknowable from without. Each person is *free* to approach the other justly, truthfully and without extorting via individual circumstances. They are also free to lie, cheat, steal, rape and murder. In the end, the quality of justice yielded by the *actual* market will depend on the quality of the elements which constitute it. The economist can surely do his algebra of homogeneous units, but he cannot call it *real*, in the sense he might wish to, without first

---

[39]See above, pp.86–7.

positing the reality of the units. We have no useful, practical knowledge of the market if we do not know, or are not able to assume, something about the individuals who make it up.[40] There is a logically unbridgeable gap between the albegraic system of perfect market justice and the real world; an unknowable correspondence between our made *ideas* of people, and their actually given lives. To become a real force, the market system of 'possessive individualism,' built on the foundation of the natural right of self-preservation, must be insinuated into the behaviors of real persons. For example, that acquisition takes place via exchange, rather than violence, requires a judgment from each person that there is good reason not to simply take from the other. This judgment itself is not comprehended by the rules of market justice.

In the *Second Treatise* Locke characterizes human nature by describing man's natural state, which is:

> a *State of perfect Freedom* to order their Actions, and dispose of their Possessions, and Persons as they think fit, within the bounds of the Law of Nature, without asking leave or depending upon the Will of any other Man.
>
> A *State* also *of Equality*, wherein all the Power and Jurisdiction is reciprocal, no one having more than another: there being nothing more evident, than that Creatures of the same species and rank promiscuously born to all the same advantages of Nature, and the use of the same faculties, should also be equal one amongst another without Subordination or Subjection, . . . (2T §4, 269)

This characterization also describes a person's relation to others. It describes the limits of power of one over the other, their "uncontroleable" liberty. If men had no natural interaction beyond the physical coupling common to other beasts, there could be no question of just interaction or distribution. In Hobbes we see therefore that there is no question of just distribution in nature. If we know ourselves, and only ourselves, then we

---

[40] In a market in which only the perfectly virtuous participated 'market values' would reflect the worth of things to perfect virtue, except that the holding of perfect virtue in common may obviate the kind of exchange that holds *actual* civil societies together.

have rights to everything, and the war of all against all naturally follows.[41] Justice in distribution requires that we acknowledge that our self-knowledge be tied up with our knowledge of others. Human *interaction* is necessary to the consideration of just distribution. People must *naturally* have some reason for interaction which is different from the interaction of brutes. Remember that it was the natural capacity for *abstraction* that Locke asserted to separate man from brutes. Without abstraction there could be no removal from oneself in order to see one's self as such.[42] The possibility of putting oneself in another's shoes, trying to see oneself through their eyes, and the desire for their respect which is entailed by this, Locke presents as the natural basis for human interaction. Locke judiciously allows Hooker to say this in the next section of the *Second Treatise*:

> This *equality* of Men by Nature, the Judicious Hooker looks upon as so evident in it self, and beyond all question, that he makes it the Foundation of that Obligation to mutual Love amongst Men, on which he Builds the Duties they owe one another, and from whence he derives the great Maxims *of Justice* and *Charity*. His words are;
> *The like natural inducement, hath brought Men to know that it is no less their Duty, to Love others than themselves, for seeing those things which are equal, must needs all have one measure; If I cannot but wish to receive good, even as much at every Man's hands, as any Man can wish unto his own Soul, how should I look to have any part of my desire herein satisfied, unless my self be careful to satisfie the like desire, which is undoubtedly in other Men, being of one and the same nature? to have any thing offered them repugnant to this desire, must needs in all respects grieve them as much as me, so that if I do harm, I must look to suffer, there being no reason that others should shew greater measure of love to me, than they have by me, shewed unto them; my desire therefore to be lov'd of my equals I nature, as much as possible may be, imposeth upon me a natural Duty of bearing to themward, fully the like affection; From which relation of equality between our selves and them, that are as our selves, what several Rules and Canons, natural reason hath drawn for direction of*

---

[41]*Leviathan*, I, 14, 189–90.

[42]"God" fitted man with language 2T, 77, 318–9

Life, no Man is ignorant. Eccl. Pol. Lib.I. (*2T,* 5, 270)[43]

While it is odd to see love of one's neighbor derived so directly from self-love, we need not believe that this is Hooker's, or Locke's, final word on recognition. One might fairly apply what Locke says of the requirements of Christianity, to those of being any kind of person: "For if the Gospel and Apostles are to be believed, no man can be a Christian without charity, and without the faith which worketh, not by force, but by love" (*Toleration* 59).

There seems to be a disproportion between what nature requires from us in the way of knowing other people, and the limits of the means with which we are fitted. Natural as it may be, allowing property rights to anyone besides ourselves requires that we believe them to be like us, in ways which exceed the limits of our ability for certain knowledge. Putting ourselves 'in their shoes' is not getting inside their heads. Our nature is to seek to know what we cannot know, but finally are forced to trust. The attribution to others of similarity to us is a charitable one; we might say that we are by nature led to a kind of 'presumption of innocence'. Without this charitable attribution to others of properties similar to our own, justice is unthinkable.[44] In other words, there is a

---

[43]The superficial allegation that Locke misused Hooker as a reputable front for his Hobbesianism is based on the abstraction from Locke's claim that Hooker was a judicious writer. As such, his statements may well have a meaning closer to Locke's own, also judiciously presented, meaning, than they may have seemed to have in their original context. That Locke meant his state of nature as simply historical and so misappropriated Hooker's statements on human nature, for instance, is not consistent with a careful, charitable reading of either text. Regardless of Hooker's intentions, we can assume that Locke intends it *exactly* as it is in the context into which he puts it. If Locke's assertion of natural equality is not dogmatic, then perhaps it is an equality based on ignorance. Cf. Plato *Republic* (415b) *with* Aristotle *Politics* (1254b27–1255a3, 1255b1–5). Cf., in a related vein, Cicero on "mean duties," *De Officiis* (b.III, ch.iii, §14 and b.III passim).

[44]On 'trust,' Cf. Ashcraft 1969 and Dunn 1984. Dunn here seems to have developed greater respect for Locke than he held earlier.

minimum of charity that is absolutely requisite to justice.[45] For this reason, justice itself must, in extreme cases where another's survival is concerned, make a stand for charity. We see this explicitly in the account of market justice in *Venditio*:

> But though he that sels his corne in a town pressd with famin at the utmost rate he can get for it does noe unjustice against the common rule of trafick, yet if he carry it away unlesse they will give him more than they are able, or extorts soe much from their present necessity as not to leave them the means of subsistence afterwards he offends against the common rule of Charity as a man and if they perish any of them by reason of his extorsion is noe doubt guilty of murder. For though all the selling merchands gain arises only from the advantage he makes of the Byers want, whether it be a want of necessity or phansy thats all one, yet he must not make use of his necessity to his destruction, and enrich him self soe as to make another perish. He is so far from being permitted to gain to that degree, that he is bound to be at some losse and impart of his owne to save an other from perishing. (*Venditio*, 499)[46]

---

[45]On the crucial threshold role of charity in political justice, see also Aristotle *Nichomachean Ethics*, (1132b31–1133a6), Cicero *De Officiis*, I, xv, xvi. For an interesting unpolitical account of the importance of charity for linguistic commerce, see Davidson (1985, esp.142–3). That Locke's is not a natural law teaching in the strict sense is perfectly consonant with a certain Christian understanding of grace and the need for charity. The same thing may be said of St. Thomas (See Strauss 1953, 163–4). On the Christian reliance on Grace, which is only metaphorically a law, see *Paraphrase* 501–2, 525, 535, 551, 628–30. On a certain priority of the law, see ibid. 543. Locke paraphrases I *Cor.* 13:2–3: "[2] And if I have the gift of prophesie and see in the law and the prophets all the mysteries conteind in them, and comprehend all the knowledg they teach: And if I have faith to the highest degree and power of miracles soe as to be able to remove mountains. and have not charity I am noe thing I am of no value:" See also Strauss 1952, 114–5, a propos of this, cf. Locke in King 2:81, "Religio."

[46]See also *1T*, §§42–3, 170–1. 1T, 42: "But we know God hath not left one Man so to the Mercy of another, that he may starve him if he please. . . . As *Justice* gives every Man a Title to the product of his honest Industry, and the fair Acquisitions of his Ancestors descended to him; so *Charity* gives every Man a Title to so much out of another's Plenty, as will keep him from extream want, where he has no means to subsist otherwise, and a Man can no more justly make use of another's necessity to force him to become his Vassal, by with-holding that Relief God requires him to afford to the wants of his Brother, than he that has more strength can seize upon a weaker, master him to his Obedience, and with a Dagger at his Throat offer him Death or Slavery." We might again remind ourselves that "the question here is about the rule of right action, not the outcome of doubtful cases" (*Toleration*, 131). On charity, cf. Ashcraft 1986, 272–3n.182; Dunn 1968, 73–4.

The natural faith in the similarity of others which makes justice natural, often comes to sight in Locke in the language of *property*. Justice requires allowing others *properties* similar to one's own. In the *Essay* Locke mentions, seemingly offhand, in the context of suggesting that morality might be capable of demonstration, that:

> *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 any thing; 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. (*Essay* IV, iii, 18, 548–50)[47]

The location of the being of property and injustice in perceived ideas alone makes it clear that they are dependent on the mental habits which it is the task of charitable exhortation to establish. What ordered thoughts of property and justice could any of us have without

---

[47]We have already seen that the child's impulse to dominating propriety is born of a kind of natural love. In the same place Locke reiterates that the teaching of justice requires a concept of property. See *STCE*, §110, 90; Tarcov 1984, 145.

Hobbes, too, states: "And therefore where there is no *Own*, that is, no Propriety, there is no Injustice." (Leviathan I, 15, 202) and from thence derives man's natural state as universal war. Locke argues against Hobbes in his *Questions Concerning the Law of Nature*, that the law of nature cannot be ultimately based on private self-interest alone, because such a rule does not *in itself* allow for actions counter to it: "For what justice [can there be] where there is no property or private ownership, or what property where each is allowed, not only to possess what belongs to him but the property of each individual is what he possesses, what is useful to him? But here it is permissible to make a brief observation: the champions of this doctrine seek the principles of morals and the rule of life from the natural appetites and inclinations of men rather than the obligation of the law, as if what is morally best is the object most men strive for. From this the additional consequence follows—which no one will say, for then it is not a law—or the condition of human life is such that it would not be lawful for a man to yield anything of his own right or to benefit another without the certain expectation of profit. For, if the rightness of any action were to arise out of its advantage, and men were bound to this [kind of] rectitude, I do not know how it would be permitted for anyone to be generous to a friend, to give a gift, spend money, or to confer a benefit in any other manner without payment in return and not violate this law. I leave to others to judge how absurd this is, how foreign to reason, to human nature, and to an honorable life" (249–51 brackets are the translator's). We will return below to Locke's more specific refutation of the Hobbesian position.

the charitable teaching of our parents and the rest of the society in which we are born?

Following upon the section of the *Second Treatise* in which he lets Hooker outline the requisite basis of justice, Locke in effect extends the domain of charitable judgment to the very being of each of us to our selves. The reality of self-consciousness seems also to require trust or charitable judgment. If one does not think carefully about section five, this next section will seem to be a new assertion, rather than a logical consequence. If natural 'individuality' is absolute, blind to the being of others, as in Hobbes's or Spinoza's natural right of self-preservation, if one may reasonably trust in the reality of oneself without in the same way trusting in the reality of others, then self-consciousness and self-concern present no limits to ownership. This is not the case in Locke's account:

> But though this be a *State of Liberty*, yet it is *not a State of Licence*, though Man in that State have an uncontroleable Liberty, to dispose of his Person or Possessions, yet he has not Liberty to destroy himself, or so much as any Creature in his Possession, but where some nobler use, than its bare Preservation calls for it. The *State of Nature* has a Law of Nature to govern it, which obliges every one: And Reason, which is that Law, teaches all Mankind, who will but consult it, that being all equal and independent, no one ought to harm another in his Life, Health, Liberty, or Possessions. For Men being all the Workmanship of one Omnipotent, and infinitely wise Maker; All the servants of one Sovereign Master, sent into the World by his order and about his business, they are his Property, whose Workmanship they are, made to last during his, not one anothers Pleasure. And being furnished with like Faculties, sharing all in one Community of Nature, there cannot be supposed any such *Subordination* among us, that may Authorize us to destroy one another, as if we were made for one anothers uses, as the inferior ranks of Creatures are for ours. Every one as he is *bound to preserve himself*, and not to quit his Station wilfully; so by the like reason when his own Preservation comes not in competition, ought he, as much as he can, *to preserve the rest of Mankind*, and may not unless it be to do Justice on an Offender, take away, or impair the life, or what tends to the Preservation of the Life, the Liberty, Health, Limb or Goods of another. (2T, 6, 270–1)

Reason, which is the law of nature, teaches us limits to our acquisition for use or destruction, including limiting our right to destroy ourselves, based somehow on our unity with mankind in general, our "*one Community of Nature*." It is a fundamental characteristic of human nature that it is *open*—open to voices from without. Reason is

the "*Voice of God*" (*1T* 86, 205). Locke states the source of these limitations most explicitly as the result of man's being the direct property of God.

'Tis a gift to be free. Man's given condition—his inalienable rights—may be conceived of as the endowments of his creator. Locke asserts these gifts in the first chapters of the *Second Treatise*. God gave us the world in common; he gave us reason; and he gave us property in our persons and labor.[48] Yet there seems to be a conflict between God's gift of freedom and his enduring propriety of man, which we saw above and which still today makes the stuff of a great controversy among scholars. The conflict is soluble by a consideration of the precise character of man's dependence on God. In the famous and notorious chapter on power in the *Essay*, Locke characterizes man's freedom as consistent with his compulsion to follow his own judgment of the greater good for him.[49] If the perfect good were immediately present to our understanding, our *freedom would include constant compulsion*: "If we look upon those *superiour Beings* above us, who enjoy perfect Happiness, we shall have reason to judge that they are more steadily *determined in their choice of the Good* than we; and yet we have no reason to think they are less happy, or less free, than we are" (*Essay* II, xxi, 49, 265). Human freedom, however, is not perfectly compelled to good, because the absolute good is not always present to it. Concerning choices wherein all the good or evil consequences of a choice are immediate "*a Man never chuses amiss.*" "Were the pains of honest Industry, and of starving with Hunger and Cold set together before us, no Body would be in doubt which to chuse: were the satisfaction of a Lust, and the Joys of Heaven offered at once to any one's present Possession, he would not balance, or err in the determination of his choice"

---

[48]*2T* 25–7, 287.

[49]E.g., *Essay* II, xxi, 48, 264.

(58, 272–3). But man's choices do not carry all their consequences immediately with them; "our desires look beyond our present enjoyments, and carry the Mind out to absent *good*, according to the necessity which we think there is of it, to the making or increase of our Happiness" (59, 273). It is the abstractness, the non-presence of our existence in language which allows us to choose differently from one another, to make errors. What characterizes man's particular freedom is that his freedom to follow reason is inextricable from his freedom to be unreasonable. The law of man's reasoning nature does not compel to the good, although it does at least seem to allow, or perhaps even immanentize, punishment for error. "[A] Man may justly incur punishment" (56, 270), because he has the freedom to *suspend* his judgment in the case where he has insufficient knowledge of all consequences of a choice.[50] When he does not suspend his will in the absence of the most relevant information, then:

> by a too hasty choice of his own making, he has imposed on himself wrong measures of good and evil; which however false and fallacious, have the same influence on all his future conduct, as if they were true and right. He has vitiated his own Palate, and must be answerable to himself for the sickness and death that follows from it. The eternal Law and Nature of things must not be alter'd to comply with his ill-order'd choice. (*Essay* II, xxi, 56, 271)[51]

---

[50]*Essay* II, xxi, 47, 263.

[51]Polin 1969, 3: "The first manifestation of human freedom is the disruption of man's natural determination by the good and the abandonment of his judgment to the pressure of his passions. Liberty is therefore, first of all, the mark of man's imperfection and pravity. It is not excessive to say that, for Locke, between the Stoics and Kant, freedom represents a freedom for evil, the principle of *ein Urböses*, of a fundamental evil."

8: [Man could not be a slave by right for Locke] ". . . but he admits however that there may in fact exist, such is the weakness, the frailty and the pravity of mankind, a slavery *de facto*, actual human beasts consenting to their slavery. This situation corresponds to the principle that, for Locke, men are born with capacities and under a specific obligation, but that they have to mature and to develop themselves, and that they can remain undeveloped or can destroy and corrupt what they have been able to achieve. Consequently, human creatures happen to exist who, not being fully developed, having failed to make a reasonable and constant use of their liberty, live below the level of

This power to suspend the will which makes the *human* freedom to err, also suggests the perfection of *human* intellect, which is "both concerned, and fitted to search out their *Summum Bonum*" (IV, xii, 11, 646):

> As therefore the highest perfection of intellectual nature lies in a careful and constant pursuit of true and solid happiness; so the care of our selves, that we mistake not imaginary for real happiness, is the necessary foundation of our *liberty*. The stronger ties, we have, to an *unalterable pursuit of happiness in general, which is our greatest good* (emphasis added), and which as such our desires always follow, the more we are free from any necessary determination of our *will* to any particular action, and from a necessary compliance with our desire, set upon any particular, and then appearing preferable good, till we have duly examin'd, whether it has a tendency to, or be inconsistent with our real happiness; and therefore till we are as much inform'd upon this enquiry, as the weight of the matter, and the nature of the case demands, we are by the necessity of prefering and pursuing true happiness as our greatest good, obliged to suspend the satisfaction of our desire in particular cases. (*Essay* II, xxi, 51, 266)

The mind that weighs, in the manner of Pascal, the 'expected value' of *any possibility at all* of eternal bliss, against any immediate rewards whatsoever, will not have a difficult choice. "The Rewards and Punishments of another Life, which the Almighty has established, as the Enforcements of his Law, are of weight enough to determine the Choice, against whatever Pleasure or Pain of this Life can shew, when the eternal State is considered *but in its bare possibility*" (*Essay* II, xxi, 70, 28 emphasis added). The perfection of an intellectual being capable of knowledge of *all* things would require the perfect knowledge of God; "this being so fundamental a Truth, and of that Consequence, that all Religion and genuine Morality depend thereon" (IV, x, 7, 622):

> The *Idea* of a supreme Being, infinite in Power, Goodness, and Wisdom, whose Workmanship we are, and on whom we depend; and the *Idea* of our selves, as understanding, rational Beings, being such as are clear in us, would, I suppose, if duly considered, and pursued, afford such Foundations of our Duty and Rules of Action, as might place *Morality amongst the Sciences capable of Demonstration;* (IV, iii, 18, 549)[52]

---

mankind, at the level of brute beasts."

[52]Cf. *Essay* IV, ix, 2–3, 618–9; IV, x, entire 619–30, esp. 6, 621; and IV, xvii, 3, 673 for an abbreviated chain of moral reasoning.

Locke is not always sanguine about the perfection of our knowledge in these things:

> Our Reason is often puzled, and at a loss, *because of the obscurity, Confusion, or Imperfection of the* Ideas *it is employed about;* and there we are involved in Difficulties and Contradictions. . . . Thus, we having but imperfect *Ideas* of the Operations of our Minds, and of the Beginning of Motion or Thought how the Mind produces either of them in us, and much imperfecter yet, of the Operation of GOD, run into great Difficulties about free created Agents, which Reason cannot well extricate it self out of. (IV, xvii, 10, 682)

Yet Locke does not say with more modern writers that lack of such perfect knowledge permits everything. One may make out the tracks of a kind of *provisional* morality derived from the *bare possibility* of God:[53]

> 'Tis past controversy, that we have in us something that thinks, our very Doubts about what it is, confirm the certainty of its being, though we must content our selves in the Ignorance of what kind of *Being* it is: And 'tis vain to go about to be sceptical in this, as it is unreasonable in most other cases to be positive against the being of any thing, because we cannot comprehend its Nature. (IV, iii, 6, 543)[54]

One could say that the philosopher's attentive doubt makes his very faith. His 'resolution' to not decide, to continue to suspend his judgment in search until *all* relevant information is collected, could be considered a kind of faith in the ultimate *possibility* of perfect knowledge. Locke wrote of this philosophical faith in a letter to his friend Molyneux:

> If I could think that discourses and arguments to the understanding were like the several sorts of cates to different palates and stomachs, some nauseous and destructive to one, which are pleasant and restorative to another; I should no more think of books and study, and should think my time better imploy'd at push-pin than in reading or writing. But I am convinc'd to the contrary: I know there is truth opposite to falsehood, that it may be found if people will, and is worth the seeking, and is not only the most valuable, but the pleasantest thing in the world. (In Dunn 1992, 84)

When Locke says of God's being that "we have Sense, Perception, and Reason, and cannot want a clear proof of him, as long as we carry our selves about us" (Essay IV, x, 1,

---

[53]Cf. Descartes, *Discours de la Méthode*, beginning of the Third Part.

[54]Cf. *Essay* IV, ix, 3, 618–9.

619), we might consider that the question of *what is* God's being may derive from the question of *what is* one's own—if one cannot simply doubt one's own existence, one can at least wonder about the *essence* of it. We may belong to both ourselves and to God if we cannot help but trust in our own existence, and if that trust depends in some way for its ultimate consistency upon our faith in God. Again to Molyneux, Locke wrote:

> . . . I own freely to you the weakness of my understanding, that though it be unquestionable, that there is omnipotence and omniscience in God, our maker, and I cannot have a clearer perception of anything, than that I am free; yet I cannot make freedom in man consistent with omnipotence and omniscience in God, though I am as fully persuaded of both, as of any truths I most firmly assent to. And, therefore, I have long since given off the consideration of that question, resolving all into this short conclusion; that if it be possible for God to make a free agent, then man is free, though I see not the way of it. (26 January, 1693, in Dunn, 1969, 193n.1)

Near the end of the *Essay*, Locke says that it is reasonable to accede to revelation in those questions:

> concerning which it [the Mind] has but an uncertain Evidence, and so is perswaded of their Truth, only upon probable Grounds, which still admit a Possibility of the contrary to be true, without doing violence to any certain Evidence of its own Knowledge, and over-turning the Principles of all Reason, in such probable Propositions, I say, an evident *Revelation* ought to determine our Assent even against Probability. For where the Principles of reason have not evidenced a Proposition to be certainly true or false, there clear *Revelation*, as another Principle of Truth, and Ground of Assent, may determine; and so it may be Matter of *Faith*, and be also above *Reason*. Because *Reason*, in that particular Matter, being able to reach no higher than Probability, *Faith* gave the Determination, where *Reason* came short; and *Revelation* discovered on which side the Truth lay. (*Essay* IV, xviii, 9, 695)

No matter how likely the materiality of the world may be to the hard-boiled mind, if it is not perfectly certain, and if, in acceding to that opinion, one can no longer make sense of his most basic experiences, then keeping one's eye on a revelation superior in its final consequences ought to command reason's assent.

To turn, to turn, 'twill be our delight. We cannot intimately know inscrutable God; we can only imagine Him. Only in the contemplation of His eternal order can we make sense

of our experience of the authenticity of our freedom to choose. Contemplating God, searching for him, is faith in the possibility that the questions as we experience them are a kind of knowledge—knowledge of one's ignorance, the imperfect human knowledge of philosophy.[55] Man's relationship to God must remain one of faith. The consistent

---

[55]Leo Strauss states the following in the context of an argument against the dogmatism of the radical historicism which has pronounced the 'end of philosophy,' and even the falsity of the kind of consciousness that believes itself to ask timeless questions: "The historicist contention can be reduced to the assertion that natural right is impossible because philosophy in the full sense of the term is impossible. Philosophy is possible only if there is an absolute horizon or a natural horizon in contradistinction to the historically changing horizons or the caves. In other words, philosophy is possible only if man, while incapable of acquiring wisdom or full understanding of the whole, is capable of knowing what he does not know, that is to say, of grasping the fundamental problems and therewith the fundamental alternatives, which are, in principle, coeval with human thought. But the possibility of philosophy is only the necessary and not the sufficient condition of natural right. The possibility of philosophy does not require more than that the fundamental problems always be the same; but there cannot be natural right if the fundamental problem of political philosophy cannot be solved in a final manner.

If philosophy in general is possible, political philosophy in particular is possible. Political philosophy is possible if man is capable of understanding the fundamental political alternative which is at the bottom of the ephemeral or accidental alternatives. Yet if political philosophy is limited to understanding the fundamental political alternative, it is of no practical value. It would be unable to answer the question of what the ultimate goal of wise action is. It would have to delegate the crucial decision to blind choice. *The whole galaxy of political philosophers from Plato to Hegel*, and certainly all adherents of natural right, assumed that the fundamental political problem is susceptible of a final solution. This assumption ultimately rested on the Socratic answer to the question of how man ought to live. By realizing that we are ignorant of the most important things, we realize at the same time that the most important thing for us, or the one thing needful, is quest for knowledge of the most important things or quest for wisdom. (1953, 35–6 emphasis added)

Strauss 1991, 212: "Philosophy, in the strict, classical sense of the term, is the quest for the eternal order, or for the eternal cause or causes of all things. I assume, then, that there is an eternal and immutable order within which history takes place, and which remains entirely unaffected by history. In other words, I assume than any "realm of freedom" is but a province that depends on the 'realm of necessity.' In Kojève's terms, this presupposes that 'Being is essentially immutable in itself and eternally identical with itself.' This hypothesis is not self-evident; Kojève rejects it in favor of the idea that 'Being creates itself in the course of history,' or that the highest Being is society and history, or that eternity is nothing but the totality of historical time, that is to say finite."

maintenance of the inscrutability of God entails the refusal to finally locate the object of one's faith. The tenth chapter of the fourth book of the *Essay*, wherein Locke seems to be trying to prove the existence of God, in fact amounts to a series of arguments showing the contradictions within the most important such arguments of others. His final position is that the imperfection of any logical proof *does not* amount to a proof of impossibility:

> In the mean time, 'tis an overvaluing our selves, to reduce all to the narrow measure of our Capacities; and to conclude, all things impossible to be done, whose manner of doing exceeds our Comprehension. This is to make our Comprehension infinite, or GOD finite, when what he can do, is limited to what we can conceive of it. If you do not understand the Operations of your own finite Mind, that thinking Thing within you, do not deem it strange, that you cannot comprehend the Operations of that eternal infinite Mind, who made and governs all Things, and whom the Heaven of Heavens cannot contain. (Essay, IV, x, 19, 630)

The profound uncertainty of the human condition may be conceived of as itself a moral indication, metaphorically speaking, as a kind of 'law of nature'.[56] For Locke, our abstract existence is uneasiness. It is *not being simply*, but being *toward* something, toward the acquisition of happiness, or making happiness one's property. That this property is born of penury and industry hardly removes it from the family of charity and

---

[56]Polin says that: "The only external limit to the reasonable usage of human freedom springing from this relation of Creator to creature consists in the fact that man, as the property of God, has been created to last as long as the Creator wishes and not according to his own good will and pleasure. That is the reason why man is not free to dispose either of his life or of the life of others, even if he has the desire, power and opportunity to do so. Anyway this external limit to liberty corresponds to an internal one: would it not be absurd that, being created to accomplish their temporal existence in order to merit eternal salvation, men would be able to use their liberty to interrupt their own existence or the existence of any other man and, renouncing their own natural end, able to refuse reasonably the obligation inscribed in the very nature of their freedom" (6–7).

Such 'absurdity' is of course often the actual case, as is accounted for in the previous quotations from Polin. His point here could be stated in terms of the question of the control of time. Man's subjugation to time is only overcome if he has access to eternity, an eternal world. Such access relies on faith. For a Christian like Locke, the 'absolute moment' of the resurrection symbolizes such access. Such faith, and the concomitant consciousness of being bound by God's will, depends for a Christian on Grace.

love.[57] The *ought* of the 'law' of our nature, in other words, is not derived from an *is*, but from an *ex-is*. The specific character of the ought comes from the consideration of the question, *what* makes our happiness? In the ultimate or most complete instance, from the question of *quid sit deus*?[58] To repeat, the apparent contradiction of self-ownership and

---

[57] On the parentage of love, see Plato *Symposium*, (203b–204a). Cf. Pangle (1988, 268–75). On labor and love, see also Xenophon *Œconomicus* xx, 20–6. For a fascinating juxtaposition of many of these components, see Bodin (1962, b.6, ch.6, 2H–I, 757).

Simmel's hard-to-tolerate rambling is punctuated by moments of insight. 1978, 211: "Love, which according to Plato is an intermediate stage between possessing and not-possessing, is in the inner subjective life what means are in the objective external world. For man, who is always striving, never satisfied, always becoming, love is the true human condition. Means, on the other hand, and their enhanced form, the tool, symbolize the human genus. The tool illustrates or incorporates the grandeur of the human will, and at the same time its limitations. The practical necessity to introduce a series of intermediate steps between ourselves and our ends has perhaps given rise to the concept of the past, and so has endowed man with his specific sense of life, of its extent and its limits, as a watershed between past and future. Money is the purest reification of means, a concrete instrument which is absolutely identical with its abstract concept; it is a pure instrument. The tremendous importance of money for understanding the basic motives of life lies in the fact that money embodies and sublimates the practical relation of man to the objects of his will, his power and his impotence; one might say, that man is an indirect being."

[58]It is sometimes noted that Locke's doctrine of property attends to self-ownership, and only mentions God's ownership in passing, as a kind of diversion.

Mansfield 1979, 33–4: "God, then, does not have property in man . . . . That is, he [Locke] explains the origin of property, and after it the origin of society, without reliance on divine providence or on man's distinctive rationality. His account omits both the Garden of Eden and the Fall, sliding them into a condition of necessity which forces men to appropriate from nature by labour. Labour appears to be distinctively human, but Locke does not say so expressly. He does not say why the labour of man's body is properly his (II, 27) but the labour of a horse is not properly its (II, 28). Human labour is no doubt rational, and human beings, it turns out, must be rational in addition to industrious (II, 34); but Locke's reliance is on labour rather than rationality. This allows him to find a beginning for property in a capacity all humans can exercise, which indeed, in the penury of their condition, they *must* exercise, without undue pride toward each other. If men had instituted property with an express compact, their rationality would have been ahead of their necessity and their distinctiveness would have been too divisive for themselves. Locke wants a human but not a teleological explanation of property."

divine ownership is resolved if the self is uncertain, and oriented toward the question of its ultimate origin. From this very orientation, from the *question* of God's propriety, the same results follow as from its certainty— at least to the extent that man as man is so oriented: "All the great Ends of Morality and Religion, are well enough secured, without philosophical Proofs of the Soul's Immateriality . . ." (Essay IV, iii, 6, 542).

In the Hegelian 'perfection' of the modern view of existence in terms of the good, or power, the negative and positive parts of his system are as sides of a coin. Not only is man's abstract existence characterized as desire, but desire is its own source—ontology is also cosmology *and* 'phenomenology'. One might say, to use Locke's terms, that for Hegel thinking is both the existence and the essence of the soul. In order to give a perfect account in terms of the good—without 'faithful' recourse outside the system—Hegel must hold that the good is identical to the true. Existence must be identical to being simply. Thinking must equal being. Without an external source of being in time, if the absolute is the existant, the actual the most real, time itself must be homogeneous. Each moment is of the same kind as the moment before—the positivity of this moment lies the negation of the moment before, in its perfect negativity each moment is identical to the one before, and there is nothing free from the forward march of time.

Locke, as we have seen, does not claim to be able to know the identity of

---

As Mansfield implies, Locke's neglect is only apparent. It is a concomitant of the ontological, 'subjective', rather than cosmological, perspective he adopts—beginning not from the creation of man in history, but from the situation each of us is given, and limiting his discussion to what is knowable. Locke allows that regarding cosmological questions such as the materiality or immateriality of the soul, we must "content our selves with Faith and Probability" (*Essay* IV, iii, 6, 542). For example: "We have the *Ideas* of *Matter* and *Thinking*, but possibly shall never be able to know, whether any mere material Being thinks, or no; it being impossible for us, by the contemplation of our own *Ideas*, without revelation, to discover, whether Omnipotency has not given to some Systems of Matter fitly disposed, a power to perceive and think, or else joined and fixed to Matter so disposed, a thinking immaterial Substance:" (*Essay* IV, iii, 6, 540–1). Locke discusses the Fall, from a properly Christian cosmological perspective, in the *Paraphrases*.

existence and real essence.[59] For him, *thinking's* relation to *being*, or the good's relation to the true, remains a question. We have seen in Chapter Two above that justice, for Locke, is a negative attitude: treating others fairly requires *not* distinguishing them.[60] In this Locke is not unlike Hegel. Our very ideas are formed through a process of abstraction, which is characterized as a negative process of taking away, rather than of composition.[61] The logic of the mode of abstract reason—ontology— requires each person to homogenize time on the basis of their judgment, in order to act in a state of uncertainty and ignorance.

Yet Lockean prudence is not Hegelian wisdom. A crucial indication of Locke's difference from more radical moderns is his careful separation of *will* and *desire*. The typically modern doctrine takes *will* to be both desire and choice. As we have seen in our day, this move ends in the abyss of the will, the inability to account for the mundane experience of choice, or consciousness, except as false; or rather meaningless, since their is not a counterpart of falsity. *Locke separates choice and desire*. The former only he calls will. Will is a faculty of something, "Mind," which is antecedent to, desire: "To the Question, what is it determines the Will? The true and proper Answer is, The mind. For that which determines the general power of directing, to this or that particular direction, is nothing but the Agent it self Exercising the power it has, that particular way" (IV, xxi, 29, 249):[62]

> The last resort a man has recourse to, in the conduct of himself, is his understanding; for though we distinguish the faculties of the mind, and

---

[59]See above, p.145.

[60]See above, p.84.

[61]See *Essay* III, iii, 6–9, 410–12.

[62]One cannot here reasonably forget the *question* of just what an agent is. Locke does not usually capitalize *The* in the middle of a sentence .

> give the supreme command to the will, as to an agent, yet the truth is, the man who is the agent, determines himself to this or that voluntary action, upon some precedent knowledge, *or appearance of knowledge*, in the understanding. . . . The will itself, how absolute and uncontrollable soever it may be thought, never fails in its obedience to the dictates of the understanding. Temples have their sacred images, and we see what influence they have always had over a great part of mankind. But in truth, the ideas and images in men's minds are the invisible powers that constantly govern them, and to these they all universally pay a ready submission. It is therefore of the highest concernment that great care should be taken of the understanding, to conduct it right in the search of knowledge, and in the judgments it makes. (*Conduct*, §1, 24)[63]:

The interpreter is only free to infer from this that Locke is really a Hobbesian materialist, and to close off the question of faith at the center of Locke's thought, by the willful inattention to the role of questioning faith within it.[64] The ultimate source of the coming

---

[63]See at greater length *Essay* II, xxi, 27–30, 247–50. Nidditch, in an editorial note at the bottom of p.245, quotes the French translator Coste's warning regarding Locke's concept of will: "Pour bien entrer dans le sens de l'Auteur, il faut toûjours avoir dans l'Esprit ce qu'il entend par *Volition*, et *Volonté*, comme il l'a expliqué cy-dessus §.5 et §.15. Cela soit dit une fois pour toutes." Failure to consider that the most important points in Locke may only be said "once for all" has led to the unfortunate mistake that questions of will *versus* consent could arise in consideration of his teaching. Kant calls the appearance of knowledge mentioned in the quoted passage "a priori synthetic judgments." For Locke this is precisely to *locate* the agency behind them, of which one cannot be certain—". . . OUR *Knowledge* [for Locke] is "*neither wholly voluntary nor wholly necessary*" (*Essay* IV, xiii, 1, 650). We could say that where Kant outlines the conditions for experience, Locke will finally be found to outline the conditions for con-fide-nce, mutual trust.

[64]Rosen (1987) provides a useful characterization of the difference between ancient and modern philosophy, by which one would have to say that Locke is an ancient: "According to Leo Strauss, classical philosophy, no less than modern, is an act of the will. Nevertheless, there is a difference between the ancients and the moderns with respect to the relation between the will and the intellect. As Socrates puts it, the classical philosopher wills that the intellect be god. One could almost say that, from Descartes forward, the intellect resolves that the will be god. Somewhat more accurately, the intellect is an instrument of the will to freedom, and this accounts for the emphasis upon power in modern philosophy. Despite the exaltation of mathematical and experimental science as the mediate source of power, modern philosophy *demotes* the intellect by making it instrumental to the will. In so doing, it necessarily *promotes* what from the classical standpoint is the lower part of the soul. Modern man wills to be free because he

to sight of things remains an impenetrable mystery. Under-standing, standing under human knowledge, is faith.[65] Life does remain a quest for Locke—though there may be imperfect joy in this quest for joy: we may "glory in the hope of the glory which god has in store for us" (*Paraphrase*, 518)[66]

---

cannot accept restraints upon his passions or desires. In the metaphorical language of (genuine) Platonism, he rejects the Ideas as restraints upon Eros. Wonder, or awe in the presence of the divine, is replaced by curiosity, or the desire to know "what makes the divine tick" (180–1).

In another place Rosen questions the teaching that ancient philosophy is simply an act of will, asserting that Strauss suppresses Plato's teaching of philosophy as divine madness, which Locke might say functioned as a kind of classical approximation of Grace, in the absence of its then still future revelation.

[65]It ought to be emphasized that Locke does not speak openly in the *Essay* of *trust* in the way I use it here. When he mentions 'trust' there, it is the trust in others's judgment on which most people rely, for which he has nothing but derision. The role of trust as I am employing it is nonetheless quite visible:
"Upon this ground it is, that intuitive Knowledge neither requires, nor admits any proof, one part of it more than another" (*Essay* IV, vii, 19, 608). *Essay* I, iii, 4, 68: "So that the truth of all these moral Rules, plainly depends upon some other antecedent to them, and from which they must be deduced, which could not be, if either they were innate, or so much as self-evident." See also IV, ii, 1, 530–1; IV, ix, 3, 618; IV, xvii, 14, 683. Cf. Aristotle, *Nichomachean Ethics* 1140b31–1141a8; *Posterior Analytics* 100b5–16.

[66]Cf. Locke's paraphrase of *Rom.* 8:19–25 "[19] For the whole race of mankinde in an earnest expectation of this unconceiveably glorious immortality that shall be bestowed on the sons of god [20] (For man kind, created in a better state, was made subject to the vanity of this calamitous fleeting life, not of its own choise, but by the guile of the devil who brought man kind into this mortal state) [21] waiteth in hope that even they also shall be deliverd from this subjection to corruption and shall be brought into that glorious freedom from death which is the proper inheritance of the children of god. [22] For we know that man kind all of them groan together and unto this day are in pain as a woman in labour to be deliverd out of the uneasiness of this mortal state. [23] And not onely they but even those who have the first fruits of the spirit and therein the earnest of eternal life, we our selves groan within our selves waiting for the fruit of our adoption, which is that as we are by adoption made sons and coheirs with Jesus Christ, so we may have bodys like unto his most glorious body spiritual and immortal. [24] But we must wait with patience, for we have hitherto been saved but in hope and expectation: but hope is of things not in present possession or injoyment. For what a Man hath and seeth in his own hands he no longer hopes for. But if we hope for what is out of sight and yet to come.

Earthly Minds, like Mud-walls. The philosopher's attentive doubt makes him alert to the status as faith of his understanding of life as the quest for the truth, the *summum bonum.* But what if someone never does, or comes not to, consider even the possibility of eternal bliss? "*Desire* also is stopp'd or abated by the Opinion of the impossibility or unattainableness of the good propos'd, as far as the uneasiness is cured or allay'd by that consideration. This might carry our thoughts farther were it seasonable in this place" (*Essay* II, xx, 6, 231).[67] The recognition of the same possibilities that makes the philosopher, makes the political philosopher attentive to their contrary possibilities. While he may in some sense trust in his view of man's potential provisional perfection, he must recognize that his fellows do not all see the world as he does. It may be the case that the palates of their minds are vitiated by too hasty choices; they must nevertheless be contended with, and "you will as fruitlesly endeavour to delight all Men with Riches or Glory, (which yet some Men place their Happiness in,) as you would satisfy all Men's Hunger with Cheese or Lobsters" (55, 269). It is a politic orientation that makes Locke say: "Hence it was, I think, that the Philosophers of old did in vain enquire, whether *Summum bonum* consisted in Riches, or bodily Delights, or Virtue, or Contemplation. . ." (55, 269):

> If therefore Men in this Life only have hope; if in this Life they can only enjoy, 'tis not strange, nor unreasonable, that they should seek their Happiness by avoiding all things, that disease them here, and by pursuing all that delight them; wherein it will be no wonder to find variety and difference. For if there be no Prospect beyond the Grave, the inference is certainly right, *Let us eat and drink*, let us enjoy what we delight in, *for to morrow we shall die*. [Isa.22; I Cor. 15:32] This, I think, may serve to shew us the Reason, why, though all Men's desires tend to Happiness, yet they are not moved by the same Object. Men may chuse different things, and yet all chuse right, supposing them only like a Company of poor Insects, whereof some are Bees, delighted with Flowers, and their

---

then doe we with patience wait for it" (*Paraphrase*, 557–8). On patience, cf. paraphrase of Rom 5:3–5.

[67]Cf. p.243, n.30 above.

> sweetness; others Beetles, delighted with other kind of Viands; which having enjoyed for a season, they should cease to be, and exist no more forever. (55, 269–70)

On the basis of a dogmatic supposition that he knows himself to be just like other creatures—that the possibility of god is certainly a kind of lie—this man is apparently relieved from the immanent misery of knowing that he has made a too hasty choice, for "Without a Notion of a Law-maker, it is impossible to have a Notion of a Law, and an Obligation to observe it" (I, iv, 8, 87). He can close the circle without seeming to pay for it. He can pretend to be unconcerned with eternity. Locating the mind in his own body, he may willfully close off the question of God.

We have seen, in his assessment of different readers, that what makes the judiciousness of philosophy for Locke is the recognition that all selves are not simply the same.[68] It is different associations of ideas that make possible the variety of self-conceptions that differentiates people as readers and agents:[69]

> Some of our *Ideas* have a natural Correspondence and Connexion one with another: It is the Office and Excellency of our Reason to trace these, and hold them together in that Union and Correspondence which is founded in their peculiar Beings. Besides this there is another Connexion of *Ideas* wholly owing to Chance or Custom; *Ideas* that in themselves are not at all of kin, come to be so united in some Mens Minds, that 'tis very hard to separate them, they always keep in company, and the one no sooner at any time comes into the Understanding but its Associate appears with it; and if

---

[68]As a political philosopher, who takes "a view of Men, as they are" (I, iii, 9, 72), Locke may be presumed to have expected misreading, and so to have made a salutary Hobbesian interpretation available. At *Essay* IV, x, 6, 621, Locke translates Cicero: "What can be more sillily arrogant and misbecoming, than for a Man to think that he has a Mind and Understanding in him, but yet in all the Universe beside, there is no such thing? Or that those things, which with the utmost stretch of his Reason he can scarce comprehend, should be moved and managed without any Reason at all?" "Tully" *Laws* 1.2. The modern "graceless" insistence on the unity of will as choice and desire is important for what we may call Luther's prophecy at the beginning of modernity: "Man is unable naturally to will that God be God; he wishes himself to be god and God not to be God" (in Lachterman 1989, 23).

[69]See *Essay*, II, xxvii and *STCE*, §§103–110.

> they are more than two which are thus united, the whole gang always inseparable shew themselves together. (*Essay* II, xxxiii, 5, 395)

The quotation which serves as an epigraph for Chapter One above tells us that it is whether the association of ideas is *natural* or not determines whether or not a man ought to be called mad, in the broadest sense.[70] That passage continues: "That which will yet more apologize for this harsh Name, and ungrateful Imputation on the greatest part of Mankind is, that enquiring a little by the bye into the Nature of Madness, *B.2. c.11. §13.* I found it to spring from the very same Root, and to depend on the very same Cause we are here speaking of" (*Essay* II, xxxiii, 4, 395). We will not be surprised when we turn back in the *Essay* to see that the discussion of madness to which he refers makes part of his discussion of the faculty of abstraction which distinguishes man from beasts:

> In fine, the defect in *Naturals* seems to proceed from want of quickness, activity, and motion, in the intellectual Faculties, whereby they are deprived of Reason: Whereas *mad Men*, on the other side, seem to suffer by the other Extreme. For they do not appear to me to have lost the Faculty of Reasoning: but having joined together some *Ideas* very wrongly, they mistake them for Truths; and they err as Men do, that argue right from wrong Principles. For by the violence of their Imaginations, having taken their Fancies for Realities, they make right deductions from them. (II, xi, 13, 160–1)[71]

This propensity for mad associations "proceeds not wholly from Self-love, though that has often a great hand in it" (II, xxxiii, 2, 394). We will return presently to the role of custom.

The ideas that we fall in love with define us. In a journal article entitled "Judging-Election-Resolution," Locke explains more thoroughly, though metaphorically, this

---

[70]The great potential of Caffentzis's (1989) interpretation of Locke on money is vitiated by his simplistic 'substantial' understanding of what makes 'natural' associations, e.g., 136. He does not consider how the unknowability of substance for Locke leads ultimately to a teleological account; e.g., 86, where he calls substances, rather than ideas, "existants" for Locke.

[71]The epigraph to the Conclusion continues this quotation.

process of marrying our conceptions of ourselves to some fundamental idea, distinguishing judgments, which are properly provisional, from more final choices:

> Judging is a bare action of the understanding, whereby a man, several objects being proposed to him, takes one of them to be best for him.
>
> But this is not Election?
>
> Election then is, when a man judging anything to be best for him, ceases to consider, examine, and inquire any farther concerning that matter; for, till a man comes to this, he has not chosen, the matter still remains with him under deliberation, and not determined. Here then, comes in the will, and makes Election voluntary, by stopping in the mind any farther inquiry and examination. This Election sometimes proceeds farther to
>
> Firm Resolution, which is not barely a stop to farther inquiry by Election at that time, but the predetermination, as much as in him lies, of his will not to take the matter into any farther deliberation; *i.e.* not to employ his thoughts any more about the eligibility; *i.e.* the suitableness of that which he has chosen to himself as making a part of his happiness. For example, a man who would be married, has several wives proposed to him. he considers which would be fittest for him, and judges Mary best; afterwards, upon that continued judgment, makes choice of her; this choice ends his deliberation; he stops all farther consideration whether she be best or no, and resolves to fix here, which is not any more to examine whether she be best or fittest for him of all proposed; and consequently pursues the means of obtaining her, sees, frequents, and falls desperately in love with her, and then we may see Resolution at the highest; which is an act of will, whereby he not only supersedes all farther examination, but will not admit of any information or suggestion, will not hear any thing that can be offered against the pursuit of this match. . . . . pursues coolly till desire grows upon him, and with it uneasiness proportionably, and that quickens his will; he approaches nearer, he is in love—is set on fire—the flame scorches—this makes him uneasy with a witness; then his will, acted by that pressing uneasiness, vigorously and steadily employs all the operative faculties of body and mind for the attainment of the beloved object without which he cannot be happy. (in King 1830, 2:106–8)[72]

There are many reasons why people allow themselves to fall in love with particular ideas, annexing them so closely to their idea of themselves:[73]

> The Mind sometimes exercises this *Judgment* out of necessity, where

---

[72]At King 1:192, Locke calls such ideas "the darlings of our minds."

[73]Locke does not explicitly separate provisional judgment from final will or election in the *Essay,* as he did in the article quoted above. The distinction between the broader category of judgment, and the partial one of will or election is nonetheless employed in its appropriate context.

> demonstrative Proofs, and certain Knowledge are not to be had; and sometimes out of Laziness, Unskilfulness, or Haste, even where demonstrative and certain Proofs are to be had. Men often stay not warily to examine the Agreement or Disagreement of two *Ideas,* which they are desirous, or concerned to know; but either incapable of such Attention, as is requisite in a long Train of Gradations, or impatient of delay, lightly cast their Eyes on, or wholly pass by the Proofs; (*Essay* IV, xiv, 3, 653)

These associations are followed even to self-destruction. Who hasn't known an alcoholic, for example, who married liquor as a part of his self-image, and for not being able to conceive of himself without it, let it first "vitiate his palate" and then proceed to destroy his substance? If it is inevitable to associate ourselves with some idea, and if this be madness, then one ought to recall that there are degrees of madness, and some madness may be divine.[74] The best "care of our selves" requires not too hastily associating our ideas of our selves with something which would vitiate our palate for the taste of better food for our souls which may come. The foundation of our liberty requires that we "mistake not imaginary for real happiness." The passage characterizing the "highest perfection of intellectual nature" bears repeating:

> The stronger ties, we have, to an unalterable *pursuit* of happiness in general (emphasis added), which is our greatest good, and which as such our desires always follow, the more we are free from any necessary determination of our *will* to any particular action, and from a necessary compliance with our desire, set upon any particular, and then appearing preferable good, till we have duly examin'd, whether it has a tendency to, or be inconsistent with our real happiness; and therefore till we are as much inform'd upon this enquiry, as the weight of the matter, and the nature of the case demands, we are by the necessity of prefering and pursuing true happiness as our greatest good, obliged to suspend the satisfaction of our desire in particular cases. (*Essay* II, 51, 266)[75]

---

[74]*STCE,* §200, 177: "The great Business of all is *Virtue* and *Wisdom*: *Nullum numen abest si sit Prudentia*. Teach him so get a Mastery over his Inclinations, and *submit his Appetite to Reason.*"

[75]In his charitable exhortation on the conduct of the understanding, Locke tells anyone who would be rid of the bias of prejudice, "(for to such only I write)," (*Conduct,* 50), that in two difficult things "consists that freedom of the understanding which is necessary to a rational creature, and without which it is not truly an understanding" (52):
"11. *Indifferency.*—First, he must not be in love with any opinion, or wish it to be true

This human perfection is not perfection simply, but:

> . . . he that makes use of the Light and faculties GOD has given him, and seeks sincerely to discover Truth, by those Helps and Abilities he has, may have the satisfaction in doing his Duty as a rational Creature, that though he should miss Truth, he will not miss the Reward of it. For he governs his Assent right, and places it as he should, who in any Case or Matter whatsoever, believes or disbelieves, according as his Reason directs him. He that does otherwise, transgresses against his own Light, and misuses those Faculties, which were given him to no other end, but to search and follow the clearer Evidence, and greater Probability. But since Reason and Faith are by some Men opposed, we will so consider them in the following Chapter. (*Essay*, IV, xvii, 24)[76]

As an aside that deserves more than a note let me interject here that perhaps the best reason to withhold the condemnation of Locke on the basis of the 'effective truth' of his teaching, is that there are historically important instances of his having been taken reasonably, and not only in the second paragraph of the Declaration of Independence which makes our nation's credo. For example:

> As long as the reason of man continues fallible, and he is at liberty to exercise it, different opinions will be formed. As long as the connection subsists between his reason and his self-love, his opinions and his passions

---

till he knows it to be so; and then he will not need to wish it; for nothing that is false can deserve our good wishes, nor a desire that it should have the place and force of truth; and yet nothing is more frequent than this. Men are fond of certain tenets upon no other evidence but respect and custom, and think they must maintain them or all is gone, though they have never examined the ground they stand on, nor have ever made them out to themselves or can make them out to others. We should contend earnestly for the truth, but we should first be sure that it is truth, or else we fight against God, who is the God of truth, and do the work of the devil, who is the father and propagator of lies; and our zeal, though ever so warm, will not excuse us, for this is plainly prejudice.

12. *Examine.*—Secondly, he must do that which he will find himself very averse to, as judging the thing unnecessary, or himself incapable of doing it. He must try whether his principles be certainly true or not, and how far he may safely rely upon them. This, whether fewer have the heart or the skill to do, I shall not determine, but this I am sure is that which every one ought to do who professes to love truth, and would not impose upon himself, which is a surer way to be made a fool of than by being exposed to the sophistry of others" (51–2).

[76]The formula for Christianity in *Reasonableness* shows some remarkable parallels, see §172, 128; §§167–72, 125–8; §§ 231–2, 161–3.

> will have a reciprocal influence on each other; and the former will be objects to which the latter will attach themselves. The diversity in the faculties of men, from which the rights of property originate, is not less an insuperable obstacle to a uniformity of interests. The protection of these faculties is the first object of government. From the protection of different and unequal faculties of acquiring property, the possession of different degrees and kinds of property immediately results; and from the influence of these on the sentiments and views of the respective proprietors, ensues a division of the society into different interests and parties. (*Federalist*, No.10, Hamilton, et al. 1937, 55)[77]

There are three basic associations that make the characteristically Lockean classes of men: the superstitious, passionate and reasonable. As moral creatures the most essential idea determining their behavior is their conception of what might make up their happiness. *Good* and *evil* are words for the absent predicted consequences of pleasure and pain to which a creature living within abstract reason cannot help but attend.[78] Our abstract reason looks at future consequences on the basis of perceived regularities or laws of cause and effect. Moral consequences will be perceived according to the moral law that is attended to. "*Morally Good and Evil* then, is only the Conformity or Disagreement of our voluntary Actions to some Law, whereby Good or Evil is drawn on us, from the Will and Power of the Law-Maker. . ." (*Essay* II, xxviii, 5, 351). What defines a *person* or a *self* is a person's relation to a law:

> *Person*, as I take it, is the name for this *self*. Wher-ever a Man finds, what he calls *himself*, there I think another may say is the same *Person*. It is a Forensick Term appropriating Actions and their Merit; and so belongs only to intelligent Agents capable of a Law, and Happiness and Misery.

---

[77]Regarding the importance of "bottoming," or finding the ultimate foundations of a question, Locke says in *Conduct*: "For example, if it be demanded whether the grand seignior can lawfully take what he will from any of his people? this question cannot be resolved without coming to a certainty whether all men are naturally equal, for upon that it turns; and that truth well settled in the understanding, and carried in the mind through the various debates concerning the various rights of men in society, will go a great way in putting an end to them, and showing on which side the truth is" (106). The passage in the text makes clear Madison's understanding of the articulation of equality and inequality to which he ascribes. Comparison with Hobbes is profitable.

[78]See *Essay* II, xx, 2, 229.

> This personality extends it *self* beyond present Existence to what is past, only by consciousness, whereby it becomes concerned and accountable, owns and imputes to it *self* past Actions, just upon the same ground, and for the same reason, that it does the present. All which is founded in a concern for Happiness the unavoidable concomitant of consciousness, that which is conscious of Pleasure and Pain, desireing, that that *self*, that is conscious, should be happy. (*Essay* II, xxvii, 26, 346)

We noted above that the differences between people can be related to their different conceptions of their relations to three different laws.[79] It is because people can judge themselves and others by different laws, for example, that a person may judge his own responsibility, his guilt or innocence, differently than do others, though they agree on the external 'facts' of a case.[80]

Each class of man finds his conception of the ultimate happiness for him self in a different kind of law. Superstitious men do not look much for ultimate happiness: "They are resolved to stick to a Party, that Education or Interest has engaged them in; and there, like the common Soldiers of an Army, shew their Courage and Warmth, as their Leaders direct, without ever examining, or so much as knowing the Cause they contend for" (*Essay* IV, xx, 18, 719). They may be Christian, but their god is Blake's superficial "nobodaddy" on his throne in heaven, waiting to welcome them to joy, perhaps after they have been the cannon fodder of 'holy' wars. Passionate men see ultimate happiness in personal power, materially understood—their concern for honor inflected through things. Hobbes, and the Hobbesian strain in Locke's rhetoric, would moderate the ambition of these by training them to fear, and more refinedly in Locke, to the calculation of the risk of attempting this in the context of a populace awakened to their connivings and taught the conditions of legitimate revolution.

The reasonable man finds himself in the contemplation of God. The summit of

---

[79]See above, p.223, n.3.

[80]Cf. *Essay* I, iii, 3–5 , 66–9.

charity is love of the possibility of the greatest conception of oneself.[81] It is faith that the experience of the most concerning questions is indeed an indication of the whole—faith in eternal unchanging truth.[82]

That this varies from some of the most strictly orthodox religious teachings—the deceit, even if only self-deceit, of some passionate priests with their mud-wall minds, aimed at securing the obedience of the superstitious many—should come as no surprise. The philosopher's faith must keep in mind its status as such. What Spinoza said of the separation of philosophy and religion, per se, Locke would allow to apply to the thoughtful versus the dogmatic love of God: "Philosophy has no end in view save truth: faith, as we have abundantly proved, looks for nothing but obedience and piety. Again, philosophy is based on axioms which must be sought from nature alone: faith is based on history and language, and must be sought for only in Scripture and revelation, as we showed in Chap. VII" (*Theologico-political Treatise* XIV, vii, 189). Whereas the

---

[81]In the Essay Locke once says of the passions of envy and anger, that they are characterized by "having in them some mixed Considerations of our selves and others, and therefore [they are] not to be found in all Men" (II, xx, 14, 231). St. Paul apparently feels himself to be in some way indistinguishable from his fellow Christians or fellow men: "[12] I beseech you Brethren Let you and I be as if we were all one. Think your selves to be very me; as I in my own mind put no difference at all between you and my self. You have don me noe manner of injury; [13] On the contrary ye know that through infirmity of the flesh I heretofore preachd the Gospel to you, [14] and yet ye dispised me not for the trial I underwent in the flesh, you treated me not with contempt and scorne: But you received me as an Angel of God, yea as Jesus Christ him self" (Paraphrase of Galatians 4:12–14).

[82]Locke's paraphrase of *Rom.* 5:1–5: "[1]Therefore being justified by faith we have peace with god through our Lord Jesus Christ [2] by whom we have had admittance through faith into the favour in which we have stood. and doe glory in the hope of the glory which god has in store for us. [3] And not onely soe but we glory in tribulation also knowing that tribulation worketh patience, [4] and patience giveth us a proof of our selves, which furnishes us with hope; [5] and our hope maketh not ashamed, will not deceive us. because the sense of the love of god is powred out into our hearts by the holy ghost, which is given unto us" (*Paraphrase,* 517–8)

orthodox, to the extent they are self-conscious, may be blamed for portraying God as if they have immediate knowledge of his character, as something solid and unquestionable, demanding piety as they define it, and absolute obedience, the philosopher's faith is wall-less. As Heidegger in his faithlessness still divined, "questioning is the piety of thought" (1977, 317).

It ought to be noted that for Locke anyone from among these classes may be a Christian in some sense, which only requires the sincere owning of Jesus as the Messiah and authentic effort to repent. Charity requires allowing them their claims to Christianity, and leaving judgment to God. (This does not, of course, alleviate the necessity of judgment in more practical matters). The harmful passions of the ambitious may be founded on unconscious self-deceit which its owner tries to overcome. Even St. Paul distinguished between weak and strong Christians. This consideration leads back to the question of Locke's rhetorical style. Locke was a good enough Christian to know the sinfulness of letting his own freedom be a stumbling block for weaker Christians.[83] He may well have thought it enervating for a mud-wall mind to be told clearly how much doubt lay at the bottom of the recommendations Locke thought best for all. Who could have guessed that in a few generations philosophers would not only leave ambiguous, but even vehemently deny the nature of their doubt? It might be remarked here that this aspect of Locke's rhetoric assumes an audience at least partly composed of 'weak' Christians. After the *sociological* death of god, reasonable Christianity does not hold one to the same scruple. Or rather, the same scruple applies much less broadly.

Habits of Judgment. In his two page chapter on judgment in the *Essay*, Locke tells us that it is "The Faculty, which God has given Man to supply the want of clear and certain

---

[83]See Romans 14.

Knowledge in Cases where that cannot be had, . . . whereby the Mind takes its *Ideas* to agree, disagree; or which is the same, any Proposition to be true, or false, without perceiving a demonstrative Evidence in the Proofs" (*Essay* IV, xiv, 3, 653). Both knowledge and judgment are "conversant about Truth and Falshood" (4, 653). But our condition is such that most all of our decisions fall into the sphere of judgment. "He that will not eat, till he has Demonstration that it will nourish him; he that will not stir, till he infallibly knows the Business he goes about will succeed, will have little else to do, but sit still and perish" (IV, xiv, 1, 652). What is certain is far outnumbered by what is not:

> Therefore as God has set some Things in broad day-light; as he has given us some certain Knowledge, though limited to a few Things in comparison, probably, as a Taste of what intellectual Creatures are capable of, to excite in us a Desire and Endeavour after a better State: So in the greatest part of our Concernment, he has afforded us only the twilight, as I may so say, of *Probability*, suitable, I presume, to that State of Mediocrity and Probationership, he has been pleased to place us in here; wherein to check our over-confidence and presumption, we might by every day's Experience be made sensible of our short-sightedness and liableness to Error; the Sense whereof might be a constant Admonition to us, to spend the days of this our Pilgrimage with Industry and Care, in the search, and following of that way, which might lead us to a State of greater Perfection. It being highly rational to think, even were Revelation silent in the Case, That as Men employ those Talents, God has given them here, they shall accordingly receive their Rewards at the close of the day, when their Sun shall set, and Night shall put an end to their Labours. (IV, xiv, 2, 652)[84]

Our experience, as we have seen, is mediated by our general ideas, and the marks, words, we attach to them.[85] The most 'automatic' judgments that we must constantly make, those of our sense experience, are not certainly free of this mediation. The first time in the *Essay* that Locke appears to define the *judgment*, he says that it lies "in separating carefully, one from another, *Ideas*, wherein can be found the least difference thereby to avoid being misled by Similitude, and by affinity to take one thing for another" (*Essay* II,

---

[84]Cf. The article on "Scrupulosity" at King 1: 204–12, for an account of the latitude to judgment given to man.

[85]E.g., see above, p.141.

xi, 2, 156). In case one is tempted to take this ability for innate or *simply* intuitive, at the end of the *Essay* Locke defines *judgment* as "thinking or taking two *Ideas* to agree, or disagree, by the intervention of one or more *Ideas*, whose certain Agreement or Disagreement with them it does not perceive, but hath observed to be frequent and usual" (*Essay* IV, xvii, 17, 685). In the famous Molineux problem we see just how pervasive the problem is:

> that the *Ideas we receive by sensation, are often* in grown People *alter'd by the Judgment,* without our taking notice of it. When we set before our Eyes a round Globe, of any uniform colour, *v.g.* Gold, Alabaster, or Jet, 'tis certain that the *Idea* thereby imprinted in our Mind, is of a flat Circle variously shadow'd, with several degrees of Light and Brightness coming to our Eyes. But we having by use been accustomed to perceive, what kind of appearance convex Bodies are wont to make in us; what alterations are made in the reflections of Light, by the difference of the sensible Figures of Bodies, the Judgment presently, by an habitual custom, alters the Appearances into their Causes: So that from that, which truly is variety of shadow or colour, collecting the Figure, it makes it pass for a mark of Figure, and an uniform Colour; when the *Idea* we receive from thence, is only a Plain variously colour'd, as is evident in Painting. (*Essay* II, ix, 8, 145)

We learn by habit to judge space and figure and motion, by their repeated pairing with light and color: "*Habits*, especially such as are begun very early, come, at last, to *produce actions in us, which often escape our observation*" (*Essay* II, ix, 10, 147). In our daily lives we rely to an immense degree on judgment.[86] And not only in our sight. Our knowledge itself is like our sight in its manipulability over time by the process of habituation.[87] Locke dogmatically asserts neither our sight, nor our knowledge to be fully within our control. Our sight and our knowledge both are "*neither wholly necessary, nor wholly voluntary*" (*Essay* IV, xiii, 1, 650). Our very nature seems to change with changes in our customs.[88] Yet one may train oneself to be more attentive and so refuse habits the

---

[86]See *Essay* IV, xiv, 1–4, 652–3.

[87]See *Essay* IV, xiii, 1–3, 650–1.

[88]*Essay* I, iii, 25, 82: "...Custom a greater power than Nature,...".

fullest range of their sway, or at least, decide upon some habits.

It is only at first paradoxical that the great emphasis that Locke puts on the plasticity of our characters, their susceptibility to great change through habituation, should bespeak his great *difference* from more modern thinkers (Rousseau is the most important exception). One searches hard in Kant or Ricardo to find the place of custom in their human sciences. When plasticity is assumed to be *perfect*, the 'friction' of this 'second nature' is ignored.[89]

The moral judgments upon which our happiness or misery depends rely on the proper habituation to absent goods:

> Habits have powerful charms, and put so strong attractions of easiness and pleasure into what we accustom our selves to, that we cannot forbear to do, or at least be uneasy in the omission of actions, which habitual practice has suited, and thereby recommends to us. Though this be very visible, and every one's Experience shews him he can do; yet it is a part, in the conduct of Men towards their Happiness, neglected to a degree, that it will be possibly entertain'd as a Paradox, if it be said, that Men can make things or actions more or less pleasing to themselves; and thereby remedy that, to which one may justly impute a great deal of wandering. Fashion and the common Opinion having settled wrong Notions, and education and custom ill habits, the just values of things are misplaced, and the palates of Men corrupted. Pains should be taken to rectify these; and contrary habits change our pleasures, and give a relish to that, which is necessary, or conducive to our Happiness. This every one must confess he can do, and when Happiness is lost, and misery overtakes him, he will confess, he did amiss in neglecting it; and condemn himself for it: And I ask every one whether he has not often done so? (*Essay* II, xxi, 69, 280–1)[90]

Our happiness depends upon our proper habituation to absent goods as pleasures. A complete consideration of our condition leads to prefering one central habitual

---

[89]It is a healthy exercise against the assumption of living in a privileged time to compare the logical dynamics of Nietzsche's 'post-modern' recovery of the plasticity and belief-dependence of judgment (e.g. 1968, #531–44, 286–293) with St. Augustine's exposition of the mysteries of memory, time and God in the last four books of his *Confessions*.

[90]The source of wrong moral judgments is faulty habituation to the consideration of absent goods. Cf. *Essay* II, xxi, 56–71, 270–84.

association before all others. That association makes the core of philosophical prudence.

PRUDENCE

Judgment, the faculty of choosing with incomplete information, when done with full awareness, is choosing *provisionally*, looking forward to, or waiting for, revision on the basis of more information. In other words, the best management of the judgment depends on foresight, providence, *prudence*. Locke's thought is ultimately teleological. It is a careful articulation of the conditions necessary for human community, the end of language: "God having made Man such a Creature, that, in his own Judgment, it was not good for him to be alone, put him under strong Obligations of Necessity, Convenience, and Inclination to drive him into *Society*, as well as fitted him with Understanding and Language to continue and enjoy it" (*2T*, 77, 318). The "perfection of intellectual nature" requires associating oneself most strongly with the openness to others and language which makes the core of abstract human being. All other particular judgments ought to look to what is necessary to retain this central openness, which is a kind of undecidedness. Where the conditions of community are not otherwise secured, and in the end, recourse is made to the question of God.

In the absence of any specific culture or language, our intellectual nature gives us only broad guidelines. Our linguistic nature, presuming only memory and the ability to abstract, teaches us our openness to others, and so dictates their preservation after our own. This includes the *potential for* incorporating as one's own the meanings of words commonly used, for accommodating to 'fashion' or the current "rule of propriety."[91] Our nature being openness, and requiring common words, which become common by

---

[91]See Caffentzis's (1989) felicitous account of the first rule of propriety in the *Second Treatise* chapter on property as a "memory theory of property," (53–4).

convention, these conventions themselves are naturally subsumed by the law of our nature. In a journal article, Locke asserts that the obligation of virtue is the will of God, its matter "nothing else but the doing of good, either to oneself or others" (King 2:94). "Thus the bounds of temperance are prescribed by the health, estates, and the use of our time: justice, truth, and mercy, by the good or evil they are likely to produce":

> But since men in society are in a far different estate than when considered single and alone, the instances and measures of virtue and vice are very different under these two considerations; for though, as I said before, the measures of temperance, to a solitary man, be none but those above-mentioned; yet if he be a member of a society, it may, according to the station he has in it, receive measures from reputation and example; so that what would be no vicious excess in a retired obscurity, may be a very great one amongst people who think ill of such excess, because, by lessening his esteem amongst them, it makes a man incapable of having the authority, and doing the good which otherwise he might. For esteem and reputation being a sort of moral strength, whereby a man is enabled to do, as it were, by an augmented force, that which others, of equal natural parts and natural power, cannot do without it; he that by any intemperance weakens this his moral strength, does himself as much harm as if by intemperance he weakened the natural strength either of his mind or body, and so is equally vicious by doing harm to himself. . . . . And so many things *naturally* become vices amongst men in society, which without that would be innocent actions. . . (in King, 2:94–5 emphasis added)[92]

The customs and customary language we are bred up to are given, or revealed, to us, and revelation ought to carry some matters where reason only gives probable answers. What Locke says about beliefs regarding the gospel applies as well to other customary or habitual knowledge:

> A great many things which we have been bred up in the belief of from our cradles (and are notions grown familiar, and, as it were, natural to us, under the gospel), we take for unquestionable obvious truths, and easily demonstrable; without considering how long we might have been in doubt or ignorance of them, had revelation been silent. And many are beholden to revelation, who do not acknowledge it. (*Reasonableness* §243, 178)[93]

---

[92]Cf. Paraphrases 652–3 on the changing meanings of *fornication* and *uncleanness.* See n.14, Chapter Two above.

[93]Essay IV, xix, 4, 698: "*Reason* is natural *Revelation*, whereby the eternal Father of Light, and Fountain of all Knowledge communicates to Mankind that portion of Truth,

One custom that is revealed to us is the money language: the putting of some common *thing* to stand for objects of need. Money is reason as applied to bodily goods. The money convention is natural in the sense that once it is perceived, it is inexorable. The very behavior of others forces us to acknowledge it to the extent that we perceive our selves as bodily and seek self-preservation. It appears to be Locke's opinion that this is the 'revelation' which led to cities. Once different groups with different laws of fashion came together with a common money language, it was necessary to form civil laws.[94]

Locke is explicit that our moral notions are all made and designed to our human ends.[95] More careful reading is required to understand that, to the extent that we *know anything* about them, so are our ideas of substances. After commenting on the common propensity to define man by appearance, and the futility of defining any substantial species according to physical characteristics, Locke remarks that:

> I have mentioned this here, because I think we cannot be too cautious, that *Words* and *Species*, in the ordinary Notions which we have been used to of them, impose not on us. For I am apt to think, therein lies one great obstacle to our clear and distinct Knowledge, especially in reference to Substances; and from then has rose a great part of the Difficulties about Truth and Certainty. (*Essay* IV, iv, 17: 573)

We make all species and kinds, and in conformity to our ends. Locke once makes an interesting division of the sciences, in response to a question of the headings of knowledge to be considered when reading.[96] The first part he calls "Adversaria

---

which he has laid within the reach of their natural Faculties: *Revelation* is natural *Reason* enlarged by a new set of Discoveries communicated by GOD immediately, which Reason vouches the Truth of, by the Testimony and Proofs it gives, that they come from GOD."

[94]See above, p.155. Cf. Plato on the origin of written laws in *Laws*, B.3, 681a–d.

[95]The ideas or "*Essences of mixed modes*" are "always suited to the end for which abstract *Ideas* are made," they are "always made for the convenience of Communication, which is the chief end of Language" (*Essay* II, xxii, 5, 290). Cf. III, v, 7, 431–2; III, ix, 7, 478–9; III, x, 23–5, 504–5.

[96]Sept. 4th, 1678, in King 1830, 1:218–222

Philosophica, which must be divided into the several species of things as they come in one's way" (219). This is:

> The knowledge of things; their essence and nature, properties, causes, and consequences of each species, which I call Philosophica, and must be divided according to the several orders and species of things and of these, so far as we have the true notion of things as really they are in their distinct beings, so far we advance in real and true knowledge. This improvement of our understandings is to be *got more by meditation than reading, though that also is not to be neglected, and the faculty chiefly exercised about this, the judgment.* (218–9 emphasis added)

If we make divisions of sorts and kinds in conformity to our ends, the question is, when do we do so properly? The answer must be: only after a complete dialectical consideration of our condition—a view of the whole. This ultimate end of human being is in a sense an ultimate '*origin*'—the source of the arising of the proper division of things into kinds and sorts, genuses an species.[97] The true origin of all kinds, the best division of the whole into parts, depends on perfect knowledge of the whole; the best possible division for humans must depend on the most perfect knowledge of which humans are capable. The "true original" of civil society is the end of the protection of

---

[97]Locke, apparently to support an opinion of the reality of habitual knowledge, once says that: "A Man is said to know any Proposition, which having been once laid before his Thoughts, he evidently perceived the Agreement, or Disagreement of the *Ideas* whereof it consists; and so lodg'd it in his Memory, that whenever that Proposition comes again to be reflected on, he, without doubt or hesitation, embraces the right side, assents to, and is certain of the Truth of it. this, I think, one may call *habitual Knowledge:* And thus a Man may be said to know all those Truths, which are lodg'd in his Memory, by a foregoing clear and full perception, whereof the Mind is assured past doubt, as often as it has occasion to reflect on them. For our finite Understandings being able to think, clearly and distinctly, but on one thing at once, *if Men had no Knowledge of any more than what they actually thought on, they would be very ignorant: And he that knew most, would know but one Truth, that being all he was able to think on at one time.* (*Essay* IV, I, 8, 527–8 emphasis added)
Would Locke deny that our finite understandings can only think on one thing at once?

property.[98]

Perhaps perfect community and communication are only possible among those who have traversed the entire path of the consideration of the human condition, but all men, as such, are reasonably held to some image of humane behavior: "Truth and keeping of Faith belongs to Men, as Men . . ." (2T, 14, 277). Locke argued in his early *Questions Concerning the Law of Nature* that the private interest of each individual could not be the foundation of the law of nature:

> The duties of life do not conflict with one another, nor do they arm men against one another. This [state] would necessarily follow on our second assumption, and men under the law of nature are, as they say, in a state of war. All society and trust, the bond of society, are destroyed. What reason [would there be] for keeping promises, what force for the preservation of society, what life and association among men, when all justice and equity is [only] what is useful. What will the commerce of men among themselves be but fraud, violence, enmity, rapine, bloodshed and other things of this kind, in a state when it would not only be permitted but necessary for any individual to wrest from another by any means what he is equally bound to defend. Whence,
>
> 3, The argument arises: that this cannot be the foundation of the law of nature. On this supposition, all justice, friendship, generosity is removed from life. (247–9 brackets are the translator's)

Locke says this in response to modern attempts, perhaps especially that of Hobbes, to provide a perfect account of human life in terms of power. That attempt outlaws all causes except the efficient. Above all, it may not be allowed, for the purposes of scientific research, that the source of nature's movement lies out ahead of us in time.

---

[98]"Upon the same reason, he that has a true idea of God, of himself as his creature, or the relation he stands in to God and his fellow-creatures, and of justice, goodness, law, happiness, &c. &c. is capable of knowing moral things, or have a demonstrative certainty in them" (King, 1:224). But: "Physique, polity, and prudence, are not capable of demonstration, but a man is principally helped in them by the history of matter-of-fact, and a sagacity of enquiring into probable causes, and finding out an analogy in their operations and effects" (226). 'Polity' here, I suggest, is the Greek *politea,* or *form of government.* Locke's teaching of the "*True Original, Extent, and End* of Civil Government" is indifferent to form, as its central chapter demonstrates. The best form in practice will presumably depend on the fashion of the populace. Cf. Aristotle, *Politics,* 3.17.

Teleology is banished. In natural science this presents no particular problem, as long as the technological character of such knowledge is held in mind. We are not concerned to know the truth of such things, only what works, what may be useful. No one is clearer on this than Locke. But he will not allow the name 'science' to the empirical research of the workings of things. Natural *history* is merely careful trials and the post hoc systematization of successes and errors. Its models and theories can never see in to the real essences of things. It is a technique, an art, useful, but not science or knowledge. Knowledge can only reach as far as the immediate perception of the agreement of ideas before our mind's eye. Like all art, natural history relies on a homogeneity assumption. Such an art may be very useful, as long as we do not forget that it rests on a hypothesis, not science or knowledge.[99] Like all art its form and ends are presumed to rely on the judgment and ends of those by and for whom it is performed. The goodness of things is presumed to be judged by us.[100]

Locke shows us both why the modern system is as powerfully persuasive as it is, and how it is mistaken, when he considers the following objection to his own argument:

> But the objection can be made that, if, upon the observation of the law of nature and every duty of life, there always follows some benefit, and we can do nothing in following the law of nature which does not bring with it

---

[99]See *Essay* IV, xii, 10, 645.

[100]It is remarkable that his demotion of natural history below the status of science is not the first thing that is said about Locke. Rather, it is often entirely ignored. The only thing that has changed in the status of 'science' since Locke is the difficulty of doubting it. No matter how elaborate and specific the theories and observation techniques, the precise character of the smallest parts of nature are as unknown and unknowable today as ever. Even before the last century of fantastic growth in the natural sciences, Nietzsche, who knew more of faith and philosophy than he is sometimes given credit for, could say that: "The dangers for a philosopher's development are indeed so manifold today that one may doubt whether this fruit can still ripen at all. The scope and the tower-building of the sciences has grown to be enormous, and with this also the probability that the philosopher grows weary while still learning or allows himself to be detained somewhere to become a 'specialist'. . ." *(Beyond Good and Evil*, 1966, #205).

> some great advantage either directly or indirectly, the foundation of the law of nature is therefore the interest of each individual. But the minor premise is obvious; for from the keeping of this law peace arises, concord, friendship, freedom from [fear of unjust] punishments, security, the possession of our own property, and to embrace all these in a single word, happiness. (*Questions,* 251)

The great benefits of following the law of nature are much more visible than the actual foundation of the rule itself. It is therefore easy to mistake those benefits for the very foundation. But as we have seen, good and evil, future pains and pleasures, are only expected on the basis of some general rule or law which provides our understanding with expected consequences. Law is in this sense prior to interest:

> To these [objections] we make this response: interest is not a foundation of law of a basis of obligation, but the consequence of obedience. It is one thing if an action entails some benefit by itself, another if it should be advantageous by reason of the fact that it is in conformity to the law; but were this law repealed, there would be no benefit whatsoever in acting [in this way]. To give an example: to abide by one's promises might be granted disadvantageous. Now, one must distinguish between an action taken by itself and obedience; for the action itself can be disadvantageous, as for example, the return of a deposit which diminishes our wealth. Obedience is useful to the extent that it averts punishment which must be paid for a crime. This punishment would not have to be paid and, thus, would not be something to avoid, if the criterion of rectitude were present advantage. So the rightness of an action does not depend on interest, but interest follows from rectitude. So thought 1664 J. Locke (*Questions,* 251)

The dependence of the very possibility of interests on a precedent law throws the thinker who would derive a law of nature from interests back upon the question of the ultimate origin or purpose of the law. There is finally no reasonable avoiding of the question of man's proper end, his truest property.

Fashionable Judgment and 'Natural Law'. In the *Second Treatise,* the ultimate limit on Lockean government is imposed pursuant to the people's judgment that the government has put itself into a state of war with the citizenry, by employing force without right. The judgment is common, "*The People shall be Judge*" (2T 240, 427), but the agency behind

it is separate; each individual cannot help but exercise this judgment: "But *every Man* is *Judge* for himself, as in all other Cases, so in this, whether another hath put himself into a State of War with him, and whether he should appeal to the Supreme Judge, as *Jeptha* did" (2T 241, 427).

What makes these individual judgments common is their mutual adherence to some rule, whether reason, civil law, or fashion. Since the judgment here concerns the violation of the civil law, it must be made from the point of view of a precedent law or presumed knowledge, whether its source be reason or fashion. We know Locke well enough to know that such judgments will not be expected to be always reasonable. Yet, as Polin tells us, "For Locke, peoples and individuals are alike: the people's freedom is a true freedom only if the people are reasonable."[101] The endurance of man's freedom to be unreasonable ensures the endurance of the ultimate resort to violence:

> For Locke, in the last analysis, political freedom is located for the citizens in the political body, for the people facing their rulers, between the extreme of violence and the extreme of a reasonable compact and trust; it is inseparable from both of them. With such a view, has Locke not made clear the very essence of any political reality, a permanent compromise between freedom and violence? (Polin 1969, 15)

---

[101] Polin 1969, "All the powers transferred through the trust are ordered towards a certain end in conformity with a teleological reckoning. According to the trust, the rulers' freedom is bound by the obligation of acting towards its end; the conservation of the people's freedom, by the obligation to obey the magistrates in the frame of the trust. But anyway, in this kind of compact, relations are not reciprocal, they remain in fact unequal; first, because the magistrates dispose immediately of a greater power than the people; secondly, because the people, on the contrary, keep only a decisive *de jure* power, since they give the trust, they fix its limits and they remain the witnesses and even the judges of its achievement. They keep the freedom to appreciate in the last resort the adequacy of the rulers' actions for the 'good of the people'" (13–4).

"For Locke, freedom exists and is meaningful only if it is bound to the obligation to achieve a reasonable order and a moral one. This principle lies at the bottom of any true and efficient liberalism" (18).

"Rousseau even pretends that, in the society founded upon the social contract, when the sovereign makes use of the public force according to the laws, he is able 'to force' legitimately the citizens 'to be free', to be actually free indeed" (10).

There is a superficial ambiguity in the character of the Lockean 'self' which allows that each reader, each person, will find his self, for himself. Because of this, widely disparate readings are available to different readers of his texts. To men with minds like mud walls, or to those who see Locke as speaking only to such, his teaching will look like that of Hobbes. For the person who finds his self primarily in his honor, self-preservation will not be attached in the first place to the life of his body, though he may count bodily goods as honors. We already know how Locke's profound modification of Hobbes's natural right teaching, by radical epistemological subjectivism, opens the door to a much older view of natural right.

A characteristic feature of Locke's rhetoric is that he uses the term *natural law* very loosely. It is at different times used to denote the characteristic means of reason, the divine law or voice of god, the final best grounds for judgment, the means of the alteration of judgment, etc. Where his readers are not satisfied by demonstration, they are moved by all kinds of other arguments—their result rather than their logical validity, making the measure of their goodness: "For in the different Make of Men's Tempers, and Application of their Thoughts, some Arguments prevail more on one, and some on another, for the Confirmation of the same Truth" (*Essay* IV, x, 7, 622). For example:

> That Men should keep their Compacts, is certainly a great and undeniable Rule in Morality: But yet, if a Christian, who has the view of Happiness and Misery in another Life, be asked why a Man must keep his Word, he will *give* this as a *Reason*: Because God, who has the Power of eternal Life and Death, requires it of us. But if an *Hobbist* be asked why; he will answer: Because the Publick requires it, and the *Leviathan* will punish you, if you do not. And if one of the old *Heathen* Philosophers had been asked, he would have answer'd: Because it was dishonest, below the Dignity of a Man, and opposite to Vertue, the highest Perfection of humane Nature, to do otherwise. (*Essay* I, iii, 5, 68)

It is much more reasonable to provide ad hominem arguments for the most important points, than to try to force everyone to see it one's own way, especially when one may be

mistaken.[102]

Charity and Madness. That Locke teaches a fashion bespeaks the political character of his philosophy. The political categories of friend and enemy rest ultimately on shared opinions about the ultimate good. Locke offers a single account of life that makes the model of prudence that sets the pattern for even those for whom it is somehow out of reach. It is the classical teaching of the philosophical life. To the extent that all political philosophers keep open the question of the naturalness of reason, there is no difference between the ancient and the modern philosophers. The distinctions between them must then rest on something more superficial, perhaps on differing estimates of the most effective rhetoric, which might in turn be based on differing estimates on the character of their audiences—on what people are wont to believe. If this is the case, however, then the classic political teaching, as more explicit about the role of philosophy, is in fact the 'higher' or more accurate teaching.[103]

While Locke retains what we may call 'philosophical prudence', he sometimes appears to let go of 'political prudence' because he does not teach that government is responsible for teaching it. But this only turns out to be a prudent response to a particular situation, one in which the teaching of prudence was better left in private hands. It must still be taught. The 'law of nature', as it appears in the *Second Treatise* and the ethic of

---

[102]*Essay* IV, x, 7, 622: "But yet, I think this I may say, that it is an ill way of establishing this Truth [God's existence], and silencing Atheists, to lay the whole stress of so important a Point, as this, upon that sole Foundation . . ."

[103]We may read Locke's advice to the Countess of Petersborough, who had asked for guidance in educating her son, as merely anecdotal evidence for the higher status of the classic *political* teaching: "True politics I look on as a part of moral philosophy, which is nothing but the art of conducting men right in society and supporting a community amongst its neighbors. Wherein Aristotle may be best to begin with, and then afterwards, if he pleases, he may descend to more modern writers of government, either as to the foundations and forms of politic societies, or the art of ruling them" (*Countess*, 395–6).

industry and frugality in *Some Considerations,* are images of that teaching.

Of particular concern to political rhetoric are the ambitious men who would lord it over others. For Locke, madness is a possibility that is continuous with the potential for abstract reason. In the *Second Treatise* the particular madness of the desire for unlimited acquisition accompanies man's mutual consent to use money in exchange. The "golden age" ended when "vain Ambition, and *amor sceleratus habendi*, evil Concupiscence, had corrupted Mens minds into a Mistake of true Power and Honour." Peace ended along with the golden age:

> Yet, when Ambition and Luxury, in future Ages would retain and increase the Power, without doing the Business, for which it was given and aided by Flattery, taught Princes to have distinct and separate Interests from their People, Men found it necessary to examine more carefully *the Original* and Rights of *Government*; and to find out ways to *restrain the Exorbitances,* and *prevent the Abuses* of that Power which they having intrusted in another's hands only for their own good, they found was made use of to hurt them. (*2T*, 111, 343)

The profit of the search for truth is invisible to the "Earthly Minds" of the vainly ambitious. We have seen how money made available for borrowing amounts to a kind of land creation.[104] As long as accumulated money is made available to the borrowing of others, then accumulation, as distinct from vicious profligacy, has effects which may be turned to the public good.

The natural law restrictions on accumulation are emphatically *not* overcome by the creation of money. The private sanctions of conscience against accumulation which proceeds to spoilage are as strong as ever for the reasonable. And those sanctions are no less heeded within society than without it. For the reasonable, laboring toward freedom from the uneasiness of desire, the role of money in their personal economies is still the

---

[104]See above, p.156.

proper, subordinate one.[105] There is in the last place, and so in the very beginning of the political teaching of the *Second Treatise*, a thoroughgoing partiality toward man understood in his potential as an intellectual creature.[106] No one who does not have some interest in making Locke a devil can doubt the sincerity of Locke's statement to his friend Molyneux, in response to the latter's message of congratulation on being appointed to the Board of Trade:

> Your congratulation to me I take as you meant, kindly, and seriously, and, it may be, it is what another would rejoyce in; but, if you will give me leave to whisper truth, without vanity, in the ear of a friend, 'tis preferment which I shall get nothing by, and I know not whether my country will, tho' that I shall aim at with all my endeavours.
>
> Riches may be instrumental to so many good purposes, that it is, I think, vanity, rather than religion or philosophy to pretend to contemn them. But yet they may be purchased too dear. My age and health demand a retreat from bustle and business, and the pursuit of some enquiries I have in my thoughts, makes it more desirable than any of those rewards which publick employments tempt people with. I think the little I have enough, and do not desire to live higher, or die richer than I am. And therefore you have reason rather to pity the folly, than congratulate the fortune, that

---

[105]See *Essay* IV, xx, 12, 715. Cf. Spinoza (Ethics, 200): "However, money has supplied a token for all things, with the result that its image is wont to obsess the minds of the populace, because they can scarcely think of any kind of pleasure that is not accompanied by the idea of money as its cause. 29. But this vice is characteristic only of those who seek money not through poverty or to meet their necessities, but because they have acquired the art of money-making, whereby they raise themselves to a splendid estate. They feed the body from habit, but thriftily, because they believe that what they spend on preserving the body is lost to their goods. But those who know the true use of money set the limit of their wealth solely according to their needs, and live content with little."

[106]Cf. Zuckert 1991, 161–3. We have seen before that Locke outlines three types of people. Each will have a typical attitude toward money, as toward language. Locke would teach those who approach it as "a Matter not easie to but by Men of Art [and so let it] pass for Current without Examination" (*SC*, 330), to look beyond names, as do the passionate type of man who takes silver to be more concrete. Concreteness, however, for an abstract consciousness, is deceptive. (See *Essay* III, viii, 1–2, 474–5. See also Kojeve 1991, 148n.2.) The three types look to three different laws in judging what course will lead to happiness. Locke's rhetoric attempts to bring harmony between the civil law and the law of reputation, fashion or opinion, although Locke tells us that this is not why the law of fashion is also called the "philosophical law." See *Essay* II, xxviii, 7–14, 352–8.

engages me in the whirlpool. (*Corres.*, 677–8)[107]

Locke's most important student in *Some Considerations*, whom we might characterize as a 'Christian Gentleman,' may not finally share Locke's entire view of the definition of wealth or its role in one's life. The good-natured gentleman may believe that the good which he ought to do requires great material wealth. From Locke's perspective, this view of virtue is limited. It is for this reason that he easily analogizes the wealth of a nation to that of a household. The rulers of both put physical goods above mental or spiritual ones.[108] His student is concerned to be recognized for his good works, although he often is not so recognized. Locke encourages him to hold to the excellence of his ideals, and to continue to distinguish between *mere* recognition, and recognition for real public service. We might say that Locke encourages him to believe that the *universal* character of the acclaim for which he strives is based not on quantity, but on quality.

Locke's rhetoric was very effective in putting some great restraint upon the passions for accumulation. The 'sound money men' who he encouraged—one could almost say created—in the recoinage debate, behaved in a way which was generally salutary. We will consider his role in that debate more fully in the next chapter. His rhetoric was not perfect.

Losing faith. The "empty center" of Locke's political economic teaching is a privileged space in which a classical understanding of the best life, the life of the most consistent possible love of "the God of Truth" (*Conduct*, 51), may stand as a criterion for

---

[107]On true wealth, see Xenophon *Œconomicus* I, 6– II, 8, esp. II, 2–4. Tully goes too far the other way in attributing "moral disapproval" of money to Locke, (1980, 147).

[108]See the central chapter of Xenophon *Œconomicus*, as well as *Memorabilia*, passim. The analogy lets the landed feel paternal. One might say that it allows them to feel in control, and to be controlled, at once.

habituating the judgment. Toward the end of the eighteenth century there were some very ambitious attempts to understand the Lockean liberal teaching on the basis of an assumed knowledge of the character of time and history;[109] to answer the questions and ambiguities that Locke left in the center of his system. Instead of taking intuition and the ability to make judgments as given, and seeking to train and form them to prudence through habituation, we turned our back on the role of habits. Others did take moral lessons from Locke, but again on the assumption of knowing something about history that Locke would have refused them, they dogmatically absolutized the presumption of equality to which ignorance forced Locke. The grounds for a higher criterion for judgment than the 'sensus communis' were lost. When the higher perspective of the philosopher becomes invisible, the difference between the city and the household enlarges. When the magistrate is seen as "sovereign" in the absolute modern sense, for example, the *natural* limits on money creation are no longer visible.[110] Politics is no longer seen as subservient to the question of the good, but appears as an end in itself. We then prefer ourselves not because we have been more true, but simply because we are we. Similarly, the most consistent grounds for the distinction between state and society are lost and the distinction itself becomes blurred.

For Locke the division between state and society cannot be an absolute distinction. It relies on prudent consideration of when allowing freedom will harm the common good, and when it will help it. Prudent government only admits as much "material" wealth, and as much inequality, as will allow the country to defend itself against conquest from without, and faction from within. Today we no longer are willing to put faith in the judgment of experienced men—men like those about whom Aristotle

---

[109]Cf. Shapiro (1991) for what he calls the 'secularizing' of the 'workmanship ideal'.

[110]Cf. Aristotle *Politics*, 1.8–10.

said: "For experience has given such men an eye with which they can see correctly" (*Nichomachean Ethics* 1143b5–14). If we cannot find an 'absolute distinction,' then we do not allow the reality of any distinctions. Prudence has become an empty concept. Locke found a way to have faith in judgment by exploring radically the implications of our dependence on faith for even the tacit judgments on which the reality of our experience depends.

Chapter Six

CHARITABLE JUDGMENT AND THE LIMITS OF GOVERNMENT

> *But that some may not mask their persecution and unchristian cruelty with a pretence of care for the commonwealth and observance of the laws; and that others, in the name of religion, may not seek licence for their immorality and impunity for their misdeeds; in a word, that none may impose upon himself or others, either as a faithful subject of his prince, or as a sincere worshipper of God, I regard it as necessary above all to distinguish between the business of civil government and that of religion, and to mark the true bounds between the church and commonwealth.*
>
> A Letter Concerning Toleration

The liberal opinion of the futility of a certain kind of political regulation of the economy is based on the argument that there are 'laws' of need which are more powerful than civil laws. This is, as everyone knows, the thrust of Lockean liberal politics: "And at last, I imagine, this will be the result of all such Attempts, that Experience will shew, that the price of Things will not be regulated by Laws, though the endeavours after it will be sure to prejudice and inconvenience Trade, and put your Affairs out of Order" (*SC*, 282). The lesson in freedom that is usually drawn from this teaching is that people ought to be 'left to do' almost whatever their desires may suggest, and that the national, and indeed the human, welfare will improve—private vices will sum to public virtues. But rather than indicating that such needs are beyond all control, Locke is more fully understood as indicating that regulating them by civil law *alone* is like chopping off the heads of a hydra.

We have seen that the question of the character of Lockean freedom is entwined with that of his view of properly human ends. As Strauss was careful to insist upon, there

is finally a *natural* right for Locke. It is this which distinguishes him from some later, more extreme, moderns.[1] However, the more or less tacit ground for Locke's political teaching became invisible even to those whom the system required to fulfill the role of the private reinforcement of the moral fashion.[2]

Some Considerations and the *Second Treatise* provide us with classic cases in point. Though the actual core of his thought is a profound reflection on the abiding character of trust at the center of money's operation, Locke thought it prudent in *Some Considerations* to provide an imperfect but temporarily convincing substantialist metallist account of money in order to convince the men who were the best political allies of the truth at the time. He seems to have done something similar in providing a substantialist account of property by labor in the early passages of the fifth chapter of the *Second Treatise*. To counter-balance these accounts for the careful reader he presents indications of a more profound account of money as credit in *Some Considerations* and of a kind of telic humanism in the *Second Treatise*. While the logic behind these accounts depends on the consideration of typical *differences* among readers, their presentation suggests to those who do not consider the heterogeneity of readers that they might be 'cleaned up',

---

[1]Cf. the very titles to Strauss 1953, 1959. In response to a letter from Eric Voegelin in which Locke is called a "nonphilosopher, a political ideologue [who] tries to hide his dirty tricks against the attentiveness of the qualified," and is said to base his theory not "upon some natural law but on a psychology of desire" (93), Strauss answers that "Locke's teaching is modern natural right, which can be distinguished from utilitarianism and the like *only* by the recognition of natural right. I too take the modern natural right as untenable and narrow, or crude. But one must allow the fact that it *is* about natural right; otherwise one cannot understand the connection with Rousseau, Kant, and Hegel" (97). As to the narrowness of his presentation, I believe that Locke would silently agree. His silence might remind us of the exigencies that demanded restraint.

[2]The case of Hume is suggestive. While Locke devoted vast labors to making visible the *reasonableness* of Christianity, especially to deists, Hume thought himself justified in claiming to have learned from Locke, and in publicly pronouncing, a position bordering on one to which Locke denied that the magistrate owed toleration.

made consistent, and homogenized into a single coherent account. Over the course of the eighteenth century it became more and more difficult to see the underlying reason for Locke's wary rhetorical strategy in *Some Considerations* and elsewhere. Once his potentially best readers had lost sight of the rhetorical reasons for the differing and apparently contradictory messages—or had perhaps been overwhelmed by hopes of the political possibilities of a less accurate account—when the various phenomena considered were considered to be operating in one dimension or to make one genus, they could be systematized into an equilibrium system of supply and demand which supported the catechism of 'laissez-faire,' or even more extreme doctrines.

The justification for limiting the government's role in regulating acquisition could be analogized to sunder *private* ethical restraints as well. It was no longer seen that the law of nature, or reason, which *always* sets limits upon acquisition, was a continuing force in civil society, which needed not only study, but teaching and exhortation for its actualization and support. The salutary and reasonable fashion of frugality, sobriety, and industry eventually became the baby thrown out with the bathwater of power-hungry priestly manipulation.

For Locke, harming others, including by *wasteful* acquisition, is simply unreasonable: "Nor must we be content with the standard of bare justice; benevolence and charity must be added to it. This the Gospel enjoins, this reason directs, and this the natural fellowship of common humanity requires of us" (*Toleration*, 79). The law of nature tells us that when our own preservation is not at risk, we ought to "*preserve the rest of Mankind.*" This provides the template for Lockean toleration, or the limits of government—'liberalism'. It is commonly stated today that one person's freedom extends only to the point just before doing harm to another. Today the judgment of harm is characteristically material—clear and present danger, physically interpreted. Locke's recommends a more teleological standard. For him it is not only the case that one "may

not unless it be to do Justice on an Offender, take away, or impair the life" of another, he also may not take away or impair "what *tends to* the Preservation of the Life, the Liberty, Health, Limb or Goods of another" (*2T* 6, 271). Lockean judgment looked more toward "bad tendencies." The limits he would place upon government are not so severe.

While the government must largely restrict itself to material justice, that very concern requires that it uphold some kind of minimal charity and common decency. In his concern for moral rectitude, for example, the magistrate is not required to tolerate the public espousing of all kinds of opinions. He may regulate corrosive, antisocial ones. The division between state and society, the proper limit of government action, is founded on the judgment of government officials, supported by more popular judgment, regarding what kinds of spoken opinions are corrosive of faith and trust in the long-term. Locke lists, in *Toleration,* four related opinions that ought not be tolerated. The first is the most general: "no doctrines, incompatible with human society, and contrary to the good morals which are necessary for the preservation of civil society, are to be tolerated by the magistrate" (*Toleration*, 131). These are rare because "no sect is likely to reach such a degree of madness as to think fit to teach, as doctrines of religion, things which manifestly undermine the foundations of society . . ." (131). The second seems only to be a more furtive version of the first: the magistrate ought not tolerate men who "arrogate to themselves, and to those of their own sect, some peculiar prerogative, contrary to civil right, though concealed in specious words designed to throw dust in people's eyes," such as those "who teach that faith need not be kept with heretics" (133). "For what do these and the like doctrines signify but that, given the opportunity, they will attack the laws of the commonwealth and the liberty and property of the citizens, and that they seek freedom and indulgence from the magistrate only until they have supplies and forces enough to make the attempt?" (133) The third opinion that should not be tolerated is one that is premised on its holder having entered into the allegiance of another prince, such as has

the "Mahometan . . . to the Mufti of Constantinople," or, though this remains tacit here, the 'papist.' This brings us to the fourth opinion that ought not be tolerated:

> Lastly, those who deny the existence of the Deity are not to be tolerated at all. Promises, covenants, and oaths, which are the bonds of human society, can have no hold upon or sanctity for an atheist; for the taking away of God, even only in thought, dissolves all. Furthermore, a man who by his atheism undermines and destroys all religion cannot in the name of religion claim the privilege of toleration for himself. (Toleration, 135)

MERCANTILISM

The same concern for the maintenance of some minimal charity, on which justice absolutely depends, is the reason that Lockean economics is not strictly *laissez faire,* but 'mercantilist.' Appleby tells us that "if English mercantilistic policies date from 1696, [Locke] must be considered their principal architect" (1978, 254). In *Some Considerations*, Locke encourages more than a *laissez-faire* approach to the poor when he says that while "it will be no matter to the Kingdom, who amongst our selves Gets or Loses: only common Charity teaches, that those should be most taken care of by the Law, who are least capable of taking care for themselves" (220). Similarly, we saw in Chapter Three that, although Locke does want the legal interest rate limit to remain above the natural rate, he is not at all opposed to some limit. He allows this legal limit in order that "young Men, and those in Want, might not too easily be exposed to Extortion and Oppression; and the dextrous and combining Money Jobbers not have too great and unbounded a Power, to Prey upon the Ignorance or Necessity of Borrowers" (282). For that reason we saw that he also allows that the government ought to regulate banking, and implies the same for other monopolies.[3] Locke also supports the role of the government in regulating information that is required for just dealing, as we see in his support for a

---

[3]*SC*, 212, 219–20, 282–3.

land registry, in order to facilitate fair taxation, and reduce the risks of potential buyers.[4]

Whatever else the government does, it must always do what is necessary to the maintaining the value of *honesty* among the citizenry. In the beginning of *Some Considerations*, the final consequence that Locke lists among the unavoidable consequences of a law lowering the legal interest rate, is that it will undermine the force of honesty in the nation:

> I fear I may reckon it as one of the probable Consequences of such a Law, That it is likely to cause great Perjury in the Nation; a Crime, than which nothing is more carefully to be prevented by Law-makers, not only by Penalties, that shall attend apparent and proved Perjury; but by avoiding and lessening, as much as may be, the Temptations to it. For where those are strong, (as they are where Men shall Swear for their own Advantage) there the fear of Penalties to follow will have little Restraint; especially if the Crime be hard to be proved. All which I suppose will happen in this Case, where ways will be found out to receive Money upon other Pretences than for *Use*, to evade the Rule and Rigour of the Law: And there will be secret Trusts and Collusions amongst Men, that though they may be suspected, can never be proved without their own Confession. I have heard very sober and observing Persons complain of the Danger Mens Lives and Properties are in, by the frequency and fashionableness of Perjury among us. Faith and Truth, especially in all Occasions of attesting it upon the solemn Appeal to Heaven by an Oath, is the great Bond of Society: This it becomes the Wisdom of Magistrates carefully to support, and render as sacred and awful in the Minds of the People as they can. But if ever Frequency of Oaths shall make them be looked on as Formalities of Law, or the Custom of straining of Truth (which Mens Swearing in their own Cases is apt to lead them to) has once dipt Men in Perjury, and the Guilt with the Temptation has spread it self very wide, and made it almost fashionable in some Cases, it will be impossible for the Society (these Bonds being dissolved) to subsist: All must break in Pieces, and run to Confusion. (*SC*, 213)[5]

The case of Masters of Ships, "who ought in *England* to be cherished and esteem'd as the most industrious and most beneficial of any of its Subjects," but who "take a great Liberty

---

[4]See *SC*, 271, 296. Cf. Petty 1899, 1:26.

[5] It is interesting to compare this statement to Ulysses's speech on *order* in Shakespeare's *Troilus and Cressida*. Act 1, scene 3. Honesty only appears to replace hierarchical order in Locke, because notions of hierarchical order are understood as best inculcated by an agency other than the government.

in their Custom-house Oaths," is taken to demonstrate the point that "it will always be worthy the Care and Consideration of Law-makers, to keep up the Opinion of an Oath High and Sacred, as it ought to be, in the Minds of the People; which can never be done, where frequency of Oaths, biassed by Interest, has establisht a neglect of them; and Fashion (which it seldom fails to do) has given Countenance to what Profit rewards" (*SC*, 212–4).

The Poor Law. As a member of the Board of Trade, Locke recommended extensive and specific government regulation regarding the economy. The most well-known such proposal, notorious for its 'cruel kindness,' is his reform of the Poor Law, which we might today term 'workfare.' Locke would have agreed with Aristotle in saying that simply giving money to the poor is like pouring water into a punctured jar.[6] When the importance of learning by custom is taken into consideration, one might extend the analogy to say that the escaping water expands the holes.

We will not be surprised to see that Locke attributes the increase of the numbers of poor maintained by the state to "the relaxation of discipline and corruption of manners; virtue and industry being as constant companions on the one side as vice and idleness are on the other" (*PL*, 378). He does not pretend with Smith that he agrees with Mandeville's base correlation of private vices and public virtues. Whatever good they may do within the range of some restricted vision of future good, in the end, private vices are vices simply. Calling them virtues can only be based upon a superficial conception of wealth. The government does not exceed its just bounds by discouraging some kinds of consumption, or encouraging sobriety: "The first step therefore, towards the setting of the poor on work, we humbly conceive, ought to be a restraint of their debauchery by a strict

---

[6]See *Politics* 1320a30–5.

execution of the laws provided against it, more particularly by the suppression of superfluous brandy shops and unnecessary alehouses, especially in country parishes not lying upon great roads" (PL, 378). Many who receive relief are able to work. Some, though they cannot support themselves, can at least contribute; and "above one half are able to get their livelihood," though some of these could not support their entire families. Most of these are not unwilling to do what they can to maintain themselves:

> This, rightly considered, shows us what is the true and proper relief of the poor. It consists in finding work for them, and taking care they do not live like drones upon the labour of others. And in order to this end we find the laws made for the relief of the poor were intended; however, by an ignorance of their intention or a neglect of their due execution, they are turned only to the maintenance of people in idleness, without at all examining into the lives, abilities, or industry of those who seek for relief. (*PL*, 383)

Still, a not inconsiderable number pretend they cannot get work and so live by begging There are already laws on the books which, if duly executed, would be sufficient "for the suppression of this last sort of begging drones, who live unnecessarily upon other people's labour" (378–9). Locke and the Board, however, recommend a new law for them which may be even more effectual. If men between fourteen and fifty are caught begging, they are to be:

> sent to the next seaport town, there to be kept at hard labour, till some of his majesty's ships, coming in or near there, give an opportunity of putting them on board, where they shall serve three years, under strict discipline, at soldier's pay (subsistence money being deducted for their victuals on board), and be punished as deserters if they go on shore without leave, or, when sent on shore, if they either go further or stay longer than they have leave. (379)

If the beggars are not between fourteen and fifty, if they are maimed, or if they are not caught in a maritime county, then they ought to be sentenced to three years hard labor in houses of correction. To make sure that houses of correction are run correctly for the inuring of men to work, no allowance should be given to their masters except what profit they receive from the work of the inmates. Whoever counterfeits a pass entitling him to

beg "shall lose his ears" the first time, and the second time be sent to a penal colony.

The guardian of the poor in each parish will be charged with getting everyone who can do any work at all a job at whatever price will be paid. The parish will then make up the difference between this wage and what the worker needs for subsistence: "if care were taken that every one of these, by some labour in the woollen or other manufacture, should earn but a penny per diem . . . this would gain to England 130,000£. per annum, which, in eight years, would make England above a million pounds richer" (382–3). The guardian of the poor will also administer mandatory apprentice programs, and organize communal houses for caring for elderly and disabled poor. Also proposed are incentives designed to encourage careful performance of their duty by these guardians of the poor.

The centerpiece of Locke's proposal is that each parish have a 'working school' for the children between three and fourteen years old of those receiving relief:

> By this means the mother will be eased of a great part of her trouble in looking after and providing for them at home; and so be at the more liberty to work; the children will be kept in much better order, be better provided for, and from infancy be inured to work, which is of no small consequence to the making of them sober and industrious all their lives after; (383–4)

These schools were designed to short-circuit the abuse of existing relief laws by those whom we might today call 'welfare fathers,' who had become dependent on their 'entitlements':

> For, a great number of children giving a poor man a title to an allowance from the parish, this allowance is given once a week or once a month to the father in money, which he not seldom spends on himself at the alehouse, whilst his children, for whose sake he had it, are left to suffer, or to perish under the want of necessaries, unless the charity of neighbours relieve them. (384)

At school they will be assured a "belly-full of bread daily," and "in cold weather, if it be thought needful, a little warm water-gruel" (384). While this sounds dreadful today, it was clearly presumed to be far more than these children were getting at home. The school would also be a means to providing 'food for the soul' and improving poor

children's moral education:

> Another advantage also of bringing children thus to a working school is that by this means they may be obliged to come constantly to church every Sunday, along with their schoolmasters or dams, whereby they may be brought into some sense of religion; whereas ordinarily now, in their idle and loose way of breeding up, they are as utter strangers both to religion and morality as they are to industry. (385)

If the schools are wisely meshed with England's 'industrial policy,' then this welfare program need not be a financial burden to the parish:

> we further humbly propose that these schools be generally for spinning or knitting, or some other part of the woollen manufactures, unless in countries where the place shall furnish some other materials fitter for the employment of such poor children. . . . This, though at first setting up it may cost the parish a little, yet we humbly conceive . . . it will quickly pay its own charges with an overplus. (*PL*, 385)

The minimum of charity requisite to justice finally requires: "That, if any person die for want of due relief in any parish in which he ought to be relieved, the said parish be fined according to the circumstances of the fact and the heinousness of the crime" (390). When Locke is faulted for compassion it might be asked what part of a human being a proposal such as this fails to pity. The golden rule that he advocates requires that one put himself in the poor man's place and ask what part of himself he would wish to develop and be respected for. Is the opinion of another on which the justice of a dole is premised a truly charitable one? Unlike Keynesian era welfare, Locke insists that the government keep the effects on people's psyches utmost in its considerations.

Irish Linen. A second proposal of Locke's extends the role of the government in supporting key fledgling industries. A proposal made by the Board to protect the English woolen industry by encouraging linen manufacture in Ireland gives us a detailed example of Locke's 'interventionist industrial policy'.[7] Fox Bourne, secure in his nineteenth

---

[7]Cf. Laslett, 1969, 159–60. Although he did not think so when he first published the paper, in this edition Laslett says that this proposal "can be regarded as an attempt to

century *laissez-faire* faith, avers of these "new and very curious institutions" (1876, 363), that "all such action is now justly condemned by every prudent statesman and wise economist" (376). Keynes, on the other hand, tells us that most "statesmen and practical men" (1935, 333) never disavowed protectionism, and today even most economists are less smug in denying that "the Currents of Trade, like those of Waters, make themselves Channels" (*SC*, 223).[8]

While the proposal opens with the recommendation that "the exportation of all sorts of woolen manufactures out of Ireland . . . be restrained and discouraged with impositions, penalties and all other ways which together may be sufficient to hinder it" (*PL*, 364), it also points out "how little bare prohibitions of exportation, though under the severest penalties, are to be depended upon . . . where not only the gain of private exporters, but the general sense of the people is that it is in the interest of the country to export them" (364). Instead, most of this proposal for "a more natural and effectual way" of accomplishing the goal, is devoted not so much to discouraging manufacture of woolens, as encouraging the manufacture of linen:

> And since it generally proves ineffectual, and we conceive it hard to endeavour, to drive men from the trade they are employed in by bare prohibition, without offering them at the same time some other trade which, if they please, may turn to account, we humbly propose that the linen manufacture be set on foot and so encouraged in Ireland as may make it the general trade of that country as effectually as the woollen manufacture is and must be of England. (365)

To this end the Board offers a list of tax breaks and incentives for the production of the constituents of linen—flax and hemp—and for linen manufacture itself. But again, it is a school which is the centerpiece of the Lockean proposal. He suggests the establishment

---

moderate the determination of English interests to destroy woollen manufacture." See Locke's letter to Molyneux of 10 January, 1698, in Fox Bourne 1876, 373–4.

[8]Cf. e.g., North (1990), and on habits in particular Hodgson (1988), 124–34; and Schmid (1987), 15, 27, 56, 60, 165, 176, 198.

of "spinning schools," and laws and incentives to induce people to attend them. All students will get wheels of the most efficient technology: "The use of this double wheel is of that great consequence to the linen manufacture that nothing can contribute more to the advancement of it than the bringing this wheel in fashion" (367). He recommends spinning (and weaving) contests at the summer assizes, with prizes in cash, but also the *honor* of being:

> recorded in court a mistress spinner and thereof have a certificate delivered to her in parchment, without fees, under the hands of the judge, the sheriff, the foreman of the jury, and such of the justices of the peace as will sign it, which shall entitle her and her husband, whenever she shall be married, to a freedom in any city, town, borough, or corporation in Ireland, to set up there what trade he or she shall think fit, with an exemption to the said husband during his life from serving on all juries and bearing any manner of office which he himself shall not be willing to undergo. (367)

The government will at first have to pay to get the fledgling linen manufacture well established, "because no such public manufacture can, at its first setting up, subsist on itself in a new place, and hold up against, much less gain upon, the same trade already settled and established elsewhere" (368). Taxes will have to be raised for "defraying the charge of bringing into Ireland persons skilled in the sowing, dressing [etc.] . . . and likewise for sustaining the losses that may be made in the infancy of this undertaking" (368).

The last section of the recommendation outlines the duties, and compensation for the directors of the program. Since the prospect of large salaries "tempts men to undertake things they are neither skilled in nor careful of," yet, on the other hand, allowing private companies to manage such schemes skews effort toward short term gain, instead of building a strong foundation for the future:

> we humbly propose that said directors be rewarded for employing their time and care in the management of this business in such a method and manner as may lay upon them the highest obligation imaginable to fidelity and diligence therein, by the increase of their own private advantage in proportion to the improvements they shall make in the business committed to their charge. (371)

Locke's overall policy toward the role of the government in regulating the economy is that it ought to be actively employed in making whatever regulations the well-trained gentry and aristocracy in Parliament see as necessary to the yoking of trade to the good of the whole country. Another important example of this position may be found in a discussion of the proportion of money needed to "drive the trade" of England, before the particulars in *Some Considerations.* [9] There Locke recommends that "all Encouragement should be given to Artificers" (*SC*, 241). Artificers are productive, and if things are ordered so that they "Vend and Retail out their own Commodities" (*SC*, 241), the country will have fewer "brokers," as he calls merchants and shopkeepers: "[M]ultiplying of Brokers hinders the Trade of any Country, by making the Circuit, which the Money goes, larger, and in that Circuit more stops, so that the Returns must necessarily be slower and scantier, to the prejudice of Trade" (*SC*, 241). More artisans who sell their own goods and fewer brokers, will mean a higher proportion of productive labor per unit of money exchanged. "Lazy and Unworking Shopkeepers in this being worse than Gamesters, that they do not only keep so much of the Money of a Country constantly in their Hands, but also make the publick pay them for their keeping of it" (SC, 241). Legislation supporting this preference for manufacture and discouragement of brokering would tend to support the fact and the opinion of profit going to industriousness, to the real satisfaction of needs. It would support the opinion of the basic justice of the system, trust in fellow citizens and in the government.

The Broker Problem. This argument does not hold up on 'purely economic' terms. Locke's warning that brokering makes more money necessary per 'real' production amounts to a denial that their services will be valued or counted as production. Yet these

---

[9]See *SC*, 233–42.

services are valued, or they would not thrive. Brokering increases trade, credit, population, etc. just as does any other economic activity. We ought to assume that Locke is aware of this. We are then led to ask whether Locke's concern with brokering is not at bottom a concern with the moral effect of such work. We saw above regarding international money traders, that the concerns of the merchant class are a-national. This characterization extends even to petty brokers such as shopkeepers. Their motivations are economic, simply. Their 'universality'—this *kind* of universality—seems to be a problem for Locke.

To this question we may add the question of Locke's own 'economic status'. Though Locke owned some land, his main pursuit was not productive in any immediately economic way. It falls into the category of "Scholars of all sorts, Women, gamesters, and great Men's menial Servants, and all such that do not contribute at all to Trade. . ." (240). Isn't there some sort of contradiction or inconsistency in discouraging a group of which one is a part? Unless he really thinks himself useless, which there is ample reason to doubt, his account may be considered as intended to obscure this problem.

This problem of the broker reminds us of what Rousseau would announce as the problem of the *bourgeois*. Rousseau made much of the unhealthy psychological disunity spawned by an economic system of impersonal dependence, such as a complex monetary one must be. The middleman who is characteristic of such a system is the 'bourgeois': "Always in contradiction with himself, always floating between his inclinations and his duties, he will never be either man or citizen. He will be good neither for himself nor for others. He will be one of these men of our days: A Frenchman, and Englishman, a bourgeois. He will be nothing" (Emile, I: 40).[10]

Locke, not being Rousseau, holds back from the extreme uncharitableness of

---

[10]Cf. Lowith 1964, 235; Melzer 1990, 63–5; Bloom 1979, 5.

attributing nothingness to anyone. Not having contrived a historical system, the 'bourgeois problem', for him, would resolve into at least two other problems. In the first place, there is the problem of madness which is co-extensive with human reason. Reason always works through intermediary, or middling, comparisons. Money is typical in this; holding money is holding *abstract* debt. It is worth what society in general holds it to be worth. If one values oneself via it, one subjects oneself to society's values. People are free to, and some will, fall unreasonably in love with money, to treat a means as an end. This is one way that we may subject ourselves to other's estimations.

It is reasonable to be dependent on means as means, as serving their proper end. The intermediary comparisons of reason itself are such means. Unless one would revolt against reason, per se, the problem is not with dependence, but unreasonable dependence. The problem is with dependence out of proportion to reasonable care of one's self. Whatever Locke's solution to the 'broker problem', recognition of its roots in human nature would mitigate any expectation for a perfect or final, *denaturing* solution.

The second part of the problem is the complications presented by the *ever more* complex, *ever greater* impersonality of system based on money, compared to a system based on personal dependence such as the homage of feudalism. No doubt the inherent difficulty of achieving a steady, healthy self-conception is intensified and complicated by this growing complexity and impersonality. Perhaps every system spawns its characteristic madness. This one belongs to a monetarized economy. Locke's attitude toward brokers reflects his recognition of this. They should be minimized. But they are not nothing. The problem is human, and so ought to be the response.

It would be difficult to overestimate the importance of Rousseau, and perhaps especially his 'Second' *Discourse on the Origin and Foundations of Inequality Among Men*, in the transition from Locke to our day. Where Locke may be read to imply a historical account of the human origins of government, by arranging his arguments to

different audiences in the way he does, Rousseau explicitly gives one. The beautiful simplicity of Rousseau's account of the origin of reason and government is due to its certainty in making all men perfectly susceptible to the slavery of time. The 'natural' problem of reason is absorbed by an inexorable historical process into the social problem of a complex economy, and reason itself is made blameworthy. Reason, instead of being the central question of man's nature, is denied naturalness and made a historical accident. Rousseau 'solves' the political problem by making man a machine, pretending that he knows that man is perfectly determined within time, where time is considered an inescapable homogeneous dimension. To do this he must play down that aspect of man which seems to free him from time—his ability to abstract. Reason must itself be entirely subject to time. Man's 'natural goodness' lies in his direct experience of life, without the mediation of abstract reason. His fellow-feeling, as pity, must not rely on the abstraction of 'putting oneself in another's shoes.' Reason only comes with political society. Once man joins societies, through a series of what are essentially accidents—when original equality yields to *artificial* inequality[11]—his original unity is replaced by the divided soul of the social man. Original unity can never be regained, but only approached by the best governments. From then on there are only degrees of slavery and madness.

Locke would not have been in the least disturbed by Rousseau's accusation that he did not get all the way back to natural man, all the way back in time, that is. Rousseau, in effect, dogmatically asserts what Locke studiously avoids, claiming knowledge of the historical origins of reason. Where Locke preserves the *natural* appearance of the rule of reason, the law of nature, Rousseau radicalizes the conventional character of human society and its basis in reason. That the nature of man was to be found in time past was

---

[11]See above, p.275, n.77.

not something he would have expected a Rousseau to believe—as perhaps he did not.[12] After reading Rousseau, not only Voltaire wanted to get down and walk on all fours, and the others did not first have sixty years to lose the habit.

In providing this purely historical account of man's society, Rousseau was passing over what is most reasonable in Locke and taking up again the mantle of Hobbes's and Spinoza's pure power teachings, while even further obscuring their fundamentally hypothetical character. Locke's more charitable teaching allows that the source of reason is beyond the human ability to know. While assenting to it where it is helpful, Locke limits the modern teaching by highlighting myriad sources of doubt and providing opportunities for segue into more profound contemplation. In response to the opinion of Malebranche and Norris that man "sees all things in God," Locke makes the following telling comment:

> A man cannot move his arm or his tongue; he has no power; only upon *occasion*, the man willing it, God moves it. Then man *wills*, he doth something; or else God, upon the *occasion* of something which he himself did before, produced this will and this action in him. This is the hypothesis that clears doubts, and brings us at last to the religion of Hobbes and Spinoza; by resolving all, even the thoughts and will of men, into an irresistible fatal necessity. For whether the original of it be from the continued motion of eternal all-doing matter, or from an omnipotent immaterial Being, which having begun matter and motion, continues it by the direction of *occasions*, which he himself has also made: as to religion and morality, it is just the same thing. But we must know how everything is brought to pass, and thus we have it resolved without leaving any difficulty to perplex us. But perhaps it would better become us to acknowledge our ignorance, than to talk such things boldly of the Holy One of Israel, and condemn others for not daring to be as unmannerly as ourselves. ("Remarks upon some of Mr. Norris's Books, wherein he asserts P. Maebranche's opinion, of our seeing all things in God." *Works* 2, 468–9)[13]

---

[12]This brief sketch has left aside especially the question of the inconsistency between Rousseau's 'public' and 'private' solutions.

[13]"But, herein, I suppose, lies the danger and deceit of that Supposition: There being no way to avoid the demonstration, that there is an eternal knowing Being, Men, devoted to Matter, would willing have it granted, that this knowing Being is material; and then

The reduction to dogmatic homogeneity of being is as insidious to philosophy and true humanity from one side as from the other. Rousseau's, like all pure modern power teachings, grounds on the attribution of reality only to substantial, material, efficient causes. While these teachings may once have been effective for the attainment of certain ends, their knowledge status may not reasonably be forgotten. [14]

> He that considers how hardly Sensation is, in our Thoughts, reconcilable to extended Matter; or Existence to any thing that hath no Extension at all, will confess, that he is very far from certainly knowing what his Soul is. 'Tis a Point, which seems to me, to be put out of the reach of our Knowledge: And he who will give himself leave to consider freely, and look into the dark and intricate part of each Hypothesis, will scarce find his Reason able to determine him fixedly for, or against the Soul's Materiality. Since on which side soever he views it, either as an unextended Substance, or as a thinking extended Matter; the difficulty to conceive either, will, whilst either alone is in his Thoughts, still drive him to the contrary side. An unfair way which some Men take with themselves: who, because of the unconceivableness of something they find in one, throw themselves violently into the contrary Hypothesis, though altogether as unintelligible to an unbiassed Understanding. This serves, not only to shew the Weakness and the Scantiness of our Knowledge, but the insignificant Triumph of such sort of Arguments, which, drawn from our own Views, may satisfy us that we can find no certainty on one side of the Question, but do not at all thereby help us to Truth, by running to the opposite Opinion, which, on examination, will be found clogg'd with

---

letting slide out of their Minds, *or the Discourse*, the demonstration whereby an eternal knowing Being was proved necessarily to exist, would argue all to be Matter, and so deny a GOD, that is, an eternal cogitative Being: whereby they are so far from establishing, that they destroy their own Hypothesis" (*Essay* IV, x, 13, 625, emphasis added).

[14]Cf. Plato *Republic* (510b–511c, 532b–d) on self-conscious and unselfconscious hypotheticality and science. The accounts of Hobbes and Spinoza also of course remain hypothetical, but do not sufficiently require self-consciousness of such. Strauss (1989, 254–5): "The genuine refutation of orthodoxy would require the proof that the world and human life are perfectly intelligible without the assumption of a mysterious God; it would require at least the success of the philosophic system: man has to show himself theoretically and practically as the master of the world and the master of his life; the merely given world must be replaced by the world created by man theoretically and practically. Spinoza's *Ethics* attempts to be the system, but it does not succeed; the clear and distinct account of everything which it presents *remains fundamentally hypothetical.* As a consequence, *its cognitive status is not different from that of the orthodox account*"(emphasis added).

equal difficulties. (*Essay* IV, iii, 6, 542–3)

Locke's teaching is both more and less final than Rousseau's or Hegel's. It is less so in the sense that it comes way back short of the claims to knowledge of later thinkers. Yet it is more complete for its incompleteness. It looks squarely at place of faith amidst the uncertainty of human life and abjures final solutions which would will away the Question of God, or will an end to madness and otherness in human affairs.

It would be too final to call a broker "nothing." Being a middleman is too difficult for many to do and remain healthy. It ought to be discouraged, no more.

Toward Homogeneity. The effect of all of the public policies recommended by Locke—maintaining the place of honesty, providing information, collecting taxes from land and luxuries, preference for the landed and manufacturers over brokers, moderate regulation of the interest rate, and of banks and other monopolies, reform of the poor law, and supporting fledgling manufactures—all will work in the direction of reducing disparities of wealth among citizens. If they were all properly implemented, the distribution of wealth would reflect activity which increased the security of citizens, which reduced the uneasiness of desires, rather than supporting the spirit of emulation and brokering which thrives on *creating more and new needs.* Greater security will make more money available for use at low cost, approximating a true equality of opportunity to satisfy our equal sentiments of freedom.

Our equal freedom does not demand the presumption of homogeneity in gifts (or 'parts'), industry, or achievement, nor in luck, age, or birth.[15] In an unpublished piece from 1693 entitled Labor, Locke contends that everyone should divide their activity between mental and physical labor. While it would be mistaken to derive some idea of a

---

[15]Cf. e.g. *2T*, §54, 304; *Conduct*, §2, 26.

just distribution from this—such would require the unwarranted assumption of the homogeneity of people's labor—it is fair to say that it provides us with an idea of a healthy distribution of efforts. He first recommends six hours a day of labor for a gentleman, but then makes a concession to salutary external distinctions:

> If this distribution of the twelve hours seem not fair nor sufficiently to keep up *the distinction that ought to be in the ranks of men* let us change it a litle. Let the Gentleman and scholar imploy nine of twelve on his minde in thought and reading and the other three in some honest labour And the man of manual labour nine in worke and three in knowledge By which all man kinde might be supplyd with what the reall necessitys and conveniency of life demand in greater plenty then they have now and be deliverd from that horid ignorance and brutality to which the bulke of them is now every where given up. If it be not soe it is oweing to the carelessnesse and negligence of the Governments of the world. which wholy intent upon the care of aggrandizeing them selves at the same time neglect the happynesse of the people and with it their own peace and security. Would they suppresse the arts and instruments of Luxury and Vanity. And bring those of honest and usefull industry in fashon, There would be neither that temptation to Ambition where the possession of power could not display it self in the distinctions and shews of pride and vanity. Nor the well instructed mindes of the people sufferd them to be the instruments of Aspireing and turbulent men. The populace well instructed in their duty and removd from the implicit faith their ignorance submits them in to others would not be soe easie to be blown into tumults and popular commotions by the breath and artifice of designeing or discontented Grandees. To conclude this is certain that if the labour of the world were rightly directed and distributed there would be more knowledg peace health and plenty in it than now there is. And man kinde be much more happy than now it is. JL. (*Labor* 494–5)

The "*distinction that ought to be in the ranks of men*" will allow the landed to be able to live off the labor of others—to live entirely public lives, as men "without doors" (*SC*, 280), devoted not to trade, but to understanding trade and turning it to the common good. It will allow them to have large estates, and not even the law of nature will oppose this if they are well utilized, "the *exceeding of the bounds of his* just *Property* not lying in the largeness of his Possession, but the perishing of any thing uselesly in it" (*2T*, §46, 300). The landed will hold an honored position, with landholding being the mark of hard work

rewarded, "full and satiated Gain" (*SC*, 271).[16]

It will give the landed the further 'honors' of being allowed to pay all the taxes of the country, and to have the responsibility of caring for the country as "nursing fathers". If the system works as it is designed, the land will be available for rent, and there will be ample money, 'coined land,' available for productive use. Yes, it is unequally distributed, and a portion goes to holders—but we see what responsibilities go with that. Laws which only alter the distribution of wealth, without bringing in more or maintaining what we have, are not the concern of public men: "For it matters not, so it be here amongst us, whether the Money be in *Thomas* or *Richards* Hands, provided it be so order'd, that, whoever has it, may be encouraged to let it go into the current of Trade, for the improvement of the general stock, and wealth of the Nation" (280).

POLITICAL RHETORIC: RAISING THE VALUE OF MONEY

In order to more completely exemplify the character of the Lockean political economy we might now consider in more detail the second large and explicit policy proposal made in *Some Considerations,* against devaluation, or "raising" the coin. In *Further Considerations* this argument is expanded in support of recoinage at the old mint standard. In some ideal world, part of man's potential for reasonable behavior would be to choose a money substance whose physical quantity does not change, in order to most easily carry out commerce. 'Madness', however, nullifies the possibility of perfect exchange. Our inability to perfectly know substances themselves, renders nugatory the possibility of a perfect money substance. Money must be enforced by civil government.[17]

---

[16]Cf. Aristotle *Politics,* 1278a22–6.

[17]Cf. Caffentzis 1989, 21–7.

Maintaining the legal monetary standard is perhaps the most important single thing that the Lockean government must do to provide the conditions of trust necessary for free contracts and just exchange. Society is impossible without being able to trust others' promises. Government must see that there is a *language* in which to do this, and it must punish any abuse or debasement of the language.[18]

The legal monetary standard is the credible medium or common language, required for the making of the free and fair contracts which allow men to bind themselves in society. It should only be altered in the case of absolute necessity "if any such there can be" (*FP*, 375): "Because the publique Authority is Guaranty for the performance of Legal contracts. But legal contracts are not perform'd, if a man receives coin with twenty percent less silver than the legal coin when he contracted" (*FP*, 375). The proper role of the government regarding specie is not creation or expansion, but simply certification of the weight and fineness of the silver in the coin, by stamping. Its purpose is characteristically visible in its origin:

> Those who have had the care, and government of Politick Societies, introduced Coinage, as a remedy to those two inconveniencies [the

---

[18]Caffentzis (1989, chapter 3) rightly characterizes Locke's role in the recoinage as a project of "linguistic reform" (122). Locke would perfectly understand our contemporary debate regarding government regulation of money, by the regulation of banking and credit, and by such things as campaign finance laws, as a question of the regulation of 'speech'. While he would not allow it to government, Locke nonetheless insists that reason dictates care also for the 'mint standard' of verbal language: "For Words, especially of Languages already framed, being no Man's private possession, but the common measure of Commerce and Communication, 'tis not for any one, at pleasure, to change the Stamp they are current in; nor alter the *Ideas* they are affixed to; or at least when there is a necessity to do so, he is bound to give notice of it. Men's Intentions in speaking are, or at least should be, to be understood; which cannot be without frequent Explanations, Demands, and other the like incommodius Interruptions, where Men do not follow common Use. Propriety of Speech, is that which gives our Thoughts entrance into other Men's Minds with the greatest ease and advantage: and therefore deserves some part of our Care and Study, especially in the names of moral Words" (*Essay* III, xi, 11, 514).

> difficulty of knowing the weight and fineness of silver in a coin]. The *Stamp* was a *Warranty* of the publick, that under such a denomination they should receive a piece of such a weight, and such a fineness; that is, they should receive so much Silver. And this is the reason why the counterfeiting the Stamp is made the highest Crime, and has the weight of Treason laid upon it: Because *the Stamp is the publick voucher* of the intrinsick value. The Royal Authority gives the stamp; the Law allows and confirms the denomination: And both together give, as it were, the publick faith, as a security, that Sums of Money contracted for under such denominations, shall be of such a value, that is, shall have in them so much Silver. For 'tis Silver and not Names that pay Debts and purchase Commodities. (*SC*, 312)[19]

Locke's most summary statement on the best attitude toward mint standards comes near the end of *Some Considerations*:

> Only this I will confidently affirm, *That it is the Interest of every Country, that all the current Money of it should be of one and the same Metal; That the several Species should be all of the same Alloy, and none of a baser mixture: And that the Standard once thus settled, should be Inviolably and Immutably kept to perpetuity*. For whenever that is alter'd, upon what pretence soever, the Publick will lose by it. (*SC*, 329)

There was very little disagreement in 1695–6 that a recoinage was necessary to provide England with all milled money. The important debate, therefore, was limited to the question of whether to recoin at the old mint standard, or at a new one. The most moderate proposal for a new standard was for one eighty percent of the old one, which would correspond to the de facto average quantity of silver in current clipped coins. It was seen by most who wrote on the subject as more just to recoin at this new standard.[20] Locke almost single-handedly, with an impressive show of rhetorical force, convinced the government to 'restore' the existing legal standard.

Always on the basis of the premise that silver makes the natural intrinsic value of money, Locke wreaks rhetorical destruction upon the inflationists. The term 'raising' itself is mocked as blatant deceit, the desire for personal gain at the public's expense is

---

[19]Cf. Copernicus 1864, 50–1.

[20]See especially Lowndes 1695. Feavearyear 1963, 133–6. For a zealously pro-Lockean account of the recoinage, see Macaulay 1915, 5:83–104, 153–63.

imputed to Thomas Neale, Master of the Mint, and other officials, and in general the scheme is derided as the worst kind of abuse of the public trust.

Given, on the one hand, the vehemence of his insistence that it is the quantity of silver that makes the value of coin, it is astonishing at first to the careful reader of *Some Considerations* that Locke regularly, though subtly, concedes the immediate, or apparent truth of the founding claim of the devaluationist, or inflationist position. The very fact that clipping worked, that someone could remove some of the silver and still pass it off at face value, was proof that most people, most of the time, looked more to the stamp than to the silver content of the coin.[21] Decades later, Sir James Steuart was disappointed to see that in *Further Considerations*, Locke conceded this fundamental point. He pointed to a place where, after having soundly refuted Lowndes,[22] Locke concedes that:

> What he says of debts is true. But yet I would have it well considered by our English Gentlemen, that tho' Creditors will lose One fifth of their Income, yet the Debtors and Tenants will not get it. It will be asked, Who then will get it? Those, I say, and those only who have great Sums of weighty Money (whereof one sees not a piece now in Payments) hoarded up by them, will get by it. To those by the proposed change of our Money will be an increase of one fifth added to their Riches, paid out of the Pockets of the rest of the Nation. (439)

Steuart does not like this because it implies that the new lighter pieces will be worth as much after the coinage as much as the heavier ones were before—or else melting the heavy ones down for twenty percent more in nominal value, would not truly make one twenty percent richer.[23] Steuart laments that:

> If the authority of any man could prevail, where reason is dark, it would be that of Mr. Locke; and had any other than such a person as Locke advanced such a doctrine, I should have taken no notice of it. Here this great man, through inadvertency, at once gives up the argument in favour

---

[21]E.g. *FP*, 365 "...clipd money is currant amongst us."

[22]Secretary to the Treasury and author of the foremost proposal for a new standard.

[23]Kelly notes that it should be on quarter or twenty-five percent more, but perhaps part of Locke's rhetorical tactic was to always use the legal standard as his point of reference.

> of his antagonist, after having refuted him in the most solid manner: for if a man, who at that time had hoarded heavy money, were to gain 1/5 upon its being coined into pieces 1/5 lighter, Mr Locke must agree with Mr Lowndes, that a piece was as much worth as a heavy one. (Steuart 1966, 433–5)

Locke indeed allows that many, or even most people follow the nominal value, excepting those people who have hoarded the heavy money. Even the foreign merchant is willing to go by the stamped value of coin, as long as when he wants finally to carry money away he can easily enough trade it for full weight coin. Ultimately, however, the foreign merchant contracts for silver, and when faith in clipped coin begins to fail so that he cannot be assured a quantity of pure silver, or when the legal standard itself is changed, he will "either contract to be paid in *weighty* Money, or else raise the Price of his Commodities, according to the diminish'd quantity of Silver in your Current Coin" (*SC*, 320).[24]

If the belief in silver is 'merely' a 'prejudice', then it is a prejudice consonant with the provisional prejudice in favor of communal life, which no one finds by itself a great imposition.[25] Even certainty that it is a prejudice does not relieve one of the necessity of considering how most reasonably to stand in relation to it, if it is in some sense

---

[24]Cf. particular twenty above: "For the Merchant making Silver and Gold his Measure, and considering what the Foreign Commodity costs him . . ." In France the King tried to use a lighter money, but understanding the relation to foreign trade, tried to use in only in landlocked regions. Even that expedient was inadequate. See *SC*, 308; *FC*, 469: "As long as the King receives it for his Taxes, and the Landlord for his Rent, 'tis no wonder the Farmer and Tenant should receive it for his Commodities: And this perhaps would do well enough, if our Money and Trade were to Circulate only amongst our Selves, and we had no Commerce with the rest of the World, and needed it not. But here lies the loss, when Foreigners shall bring over Gold hither, and with that Pay for our Commodities at the rate of Thirty Shillings the Guinea, when the same quantity of Gold that is in a Guinea is not beyond Sea worth more Silver than is in twenty, or one and twenty and six Pence of our mill'd and lawful Money: By which way of paying for our Commodities *England* loses near One third of the value of all the Commodities it thus sells. And 'tis all one as if Foreigners paid for them in Money Coin'd and clip'd beyond Sea, wherein was One third less Silver than there ought to be."

[25]Cf. Plato *Apology* 41–2, on a basic prejudice in a common view of life.

unavoidable. Who amongst us is entirely free from the consequences of the behavior of those who hold this belief most strongly? Their beliefs involve us as a matter of course, even against our will. Their behavior is the extra-political, even pre-political, natural behavior that we must look to, and laws must *follow*, as it is unable to lead them.[26]

We have seen that Locke acknowledged inflation itself when he recognized that the quantity of mined silver in the world was increasing. Such inflation is *relatively* benign because all countries are subjected to it equally. Devaluation, however, is inflation which instantly changes the ratio of silver to credit in one country relative to another, and may be exploited as such by foreigners and those whose typical passion makes them effectively such. Interpreters' failure to follow Locke's indications about the heterogeneous character of political society have perhaps prevented them from seeing the nuances of his argument.

'Raising' the coin is a fraud much worse than clipping because it is accomplished by the public agency which is entrusted specifically to protect it:

> Altering the Standard, by Coining pieces under the same denomination with less Silver in them than they formerly had, is doing the same thing [as clipping] by publick Authority. The only odds is, that by Clipping the loss is not forced on any one (for no body is obliged to receive Clip'd Money;) By altering the Standard it is.
>
> Altering the Standard, by *raising* the Money, will not get to the Publick or bring to the Mint to be Coin'd one Ounce of Silver: But will defraud the King, the Church, the Universities and Hospitals, *ETc.* of so much of their setled Revenue, as the Money is *raised, v.g.* 20 *per Cent.* if the Money (as is propos'd) be raised One fifth. It will weaken, if not totally destroy the publick Faith, when all that have trusted the Publick, and assisted our

---

[26]Again, compare Plato's account of the origin of written laws in the third book of the *Laws*. In regard to this comparison, consider also Marx: "[A]s international money the precious metals once again fulfil their original function of means of exchange: a function which, like commodity exchange itself, originated at points of contact between different primitive communities and not in the interior of the communities. Money functioning as world money reverts to its original natural form. When it leaves domestic circulation, money sheds the particular forms occasioned by the development of exchange within particular areas, or the local forms assumed by money as measure of price—specie, small change, and token of value. (in Caffentzis 1989, 179)

> present necessities, upon Acts of Parliament, in the *Million Lottery, Bank Act,* and other *Loans*, shall be defrauded of 20 *per Cent.* of what those Acts of Parliament were security for. And to conclude, this raising our Money will defraud all private Men of 20 *per Cent.* in all their Debts and setled Revenues. (*FC*, 417)

Feavearyear says that "[t]his indeed was Locke's strongest argument"(1963, 147) "In arguing thus he did much to instill into the minds of those who came after him a clear idea of the kind of dealing they had a right to expect when the public faith was pledged, and also a strong feeling that the standard of the Mint should not be altered by the Government upon any pretext whatever, whether for its own ends or in the interests of the Exchequer" (1963, 148).

It is still perhaps not clear why Locke was so *vehement* about *restoration* of the standard. There were still principled arguments, consistent with this understanding, that supported recoining at a new standard, which was in fact the weight of coins regularly passing in trade. That is, there was a good argument that what Locke characterized as inflationist was actually being more true to the current effective standard weight. After all, the clippers had already done the injustice, recoining at a new standard is only acknowledging the de facto situation.[27] Returning to the legal standard, on the other hand, would in fact be increasing the amount of silver in coins, and would greatly reduce the nominal quantity of money in the country; such deflation may cause a disastrous depression. Furthermore, recoining at the legal standard was likely to be harder on the poor who were least capable of tolerating the hurt, because it was they who uniformly traded money at its face value, and could not afford to store heavy money. Considering, in addition, the universal effects of depression, they may well be pushed toward, or beyond, the limit of subsistence. In fact, when the recoinage was complete, the poor did

---

[27]Locke ridicules this argument at *SC*, 339.

suffer most, and the economic contraction was extremely painful for the country.[28] Finally, when Locke says about inflation by the use of paper bills that they may keep us "from feeling our Poverty," but that using them certainly "is better than letting any part of our Trade fall for want of current Pledges" (*SC*, 234–5), he is admitting that they may indeed pass, though their passing will encourage the flight of specie. This logic is consistent with the inflationist insistence that devaluation can stimulate trade.[29]

Appleby perhaps inadvertently tips us off to the reason for Locke's vehemence when she insists that: "It is certain that no intended goal of the recoinage was achieved except for Locke's abstract one of turning a mint standard into an immutable fact of nature" (61). This does not show that the recoinage was not a success, in Locke's opinion. It only shows that Locke's ends, if accomplished, were other than the ones presumed. Locke's 'abstract' goal had enormous and far-reaching effects for the future of European civilization. We will shed a different light on Locke's strategy if we ask which of the proposed standards would be more likely to be "*Inviolably and Immutably kept to perpetuity.*" One of Locke's strongest arguments against devaluation is that if its logic is accepted once, there is little to stop it from being accepted again:

---

[28]See Kelly 1991, 64.

[29]Consider the words of Locke's student, Hume, who also opposed 'artificial' credit: "Accordingly we find, that, in every kingdom, into which money begins to flow in greater abundance than formerly, every thing takes a new face: labour and industry gain life; the merchant becomes more enterprising, the manufacturer more diligent and skilful, and even the farmer follows his plough with greater alacrity and attention. . . . To account then, for this phenomenon, we must consider, that though the high price of commodities be a necessary consequence of the encrease of gold and silver, yet it follows not immediately upon that encrease; but some time is required before the money circulates through the whole state, and makes its effect be felt on all ranks of people. At first, no alteration is perceived; by degrees the price rises, first of one commodity, then of another; till the whole at last reaches a just proportion with the new quantity of specie which is in the kingdom. In my opinion, it is only in this interval or intermediate situation, between the acquisition of money and rise of prices, that the encreasing quantity of gold and silver is favourable to industry" (1970, 37–8). Cf. Keynes 1935, 343n.

> If it be good to *raise* the Crown Piece this way One twentieth this Week, I suppose it will be as good and profitable to raise it as much again the next Week. For there is no reason, why it will not be as good to *raise* it again another One twentieth the next Week, and so on; wherein, if you proceed but 10 Weeks successively, you will by New-Years-Day next have every Half-Crown raised to a Crown, to the loss of one half of Peoples Debts and Rents, and the King's Revenue, besides the Confusion of all your affairs: And if you please to go on in this beneficial way of *raising* your Money, you may by the same Art bring a Penny-weight of Silver to be a Crown. (*SC*, 311)

Feavearyear provides us with a further clue to the fuller justification for Locke's rhetorical strategy in bolstering salutary prejudices about the nature of money:

> This *sanctity* which Locke attached to the Mint weights was something new. Before this time few people regarded the weights of the coins as in any way immutable. The king had made them; he had altered them many times; and doubtless if it suited him he would alter them again. ... Largely as a result of Locke's influence, £3.16*s*.10½*d*. an ounce came to be regarded as a magic price for gold from which we ought never to stray and to which, if we did, we must always return. (1963, 148–9 emphasis added)

While it is impossible to know Locke's mind, my own suspicion is that one would have to think carefully about the psychology of "sanctification" in order to understand what he is doing here. In addition, in order to convince landowning Parliamentarians and the King to make the best decision, it had to be shown that it could be done such that it would profit them. While Locke's own recommendations for carrying out the recoinage would not have had as skewed an effect, it was in fact carried out such that the rich were generally more insulated from its harmful effects.[30] Locke was not much disturbed by this short-term injustice. It is Kelly's opinion that: "Even in the worst period immediately following the demonetization of the clipped coin, when government credit reached its lowest ebb and Portland made his surprise visit to London in a desperate effort to raise funds, Locke remained convinced that maintaining the standard had alone made possible

---

[30]See Feavearyear 1963, 142–4.

the avoidance of disaster" (1991, 37).[31] Perhaps to get political men to make good long-term decisions requires bringing into the present, by allying them with concerns of gain or fashion, concerns which are in themselves at best only distant.

Locke does sometimes characterize the inflationist position as "false," but more frequently he calls it "dangerous."[32] There is more than one way to keep a constant increase in the money supply. Another way to increase the money supply of the country was by the combined fashions of frugality and industry—frugality making the money available, industry putting it to new uses.[33] Locke could not elaborate his actual position because it would give ammunition to the inflationists, by demonstrating that inflation can indeed make things more comfortable, and even spur trade, and conversely, by confessing the likelihood of the credit crunch that would follow upon reminting at the old standard. He sacrificed the politically easy, short-term solution, to larger ends. Locke recognized fully that money is in its essence credit. But credit, to be as much, must be tied to a pledge that is in some way identical for all contracting parties.[34]

---

[31]The recoinage did spur a tremendously painful credit crunch, which the King much rued, but could hardly undo. And perhaps having once paid the price, in order to continue thinking of himself as a reasonable man, to reduce 'cognitive dissonance', he had to convince himself that it had been worth the sacrifice. Kelly 1991, 37, 64–5.

[32]See *SC*, 333, 340, 358.

[33]Even Keynes would not disagree, given certain conditions: "Nevertheless, if we contemplate a society with a somewhat stable wage-unit, with *national characteristics* which determine the propensity to consume and the preference for liquidity, and with a monetary system which rigidly links the quantity of money to the stock of the precious metals, it will be essential for the maintenance of prosperity that the authorities should pay close attention to the balance of trade. For a favourable balance, provided it is not too large, will prove extremely stimulating; whilst an unfavourable balance may soon produce a state of persistent depression" (Keynes 1935, 337–8 emphasis added).

[34]Appleby 1978: "James Hodges nicely captured the dilemma of trying to control a commercial economy. The government, he said, could not force credit because credit came from a belief that one would be repaid, nor could it force exchanges because they

Common Terms. We want to fix money because fixity of its value as a pledge is a condition, in principle, of the consent to use money as a measure or medium of commerce. Tying credit to silver and gold has the enormous advantage of being consonant with the beliefs of "those who consider things beyond their names" (247), and the kind of men who could prove most dangerous to the country. These are the men who hoard heavy money:

> For this you may be sure: coin as much weighty mild money as you will at the Mint very litle of none of it will be seen in Trade as long as the clipd money is currant. For the world is now grown too wise to pay half a crown that weighs half an Ounce where one weighing but ¼ ounce will do as well. And they are fully undeceived as to that false position that tis the stamp and not the quantity of silver that gives the value. (*FP*, 368)

By 'sanctifying' metal, Locke tried to ensure that credit would be tied to people's actual trust, and that all would judge by the same external measure, without 'artificial' manipulation by government.[35]

Locke's "sanctification" of the intrinsic value of silver and gold is an acknowledgment of a feature of human nature that presents a universal threat to all men, irrespective of national government. While some men may trust the government's names of money, the people who present the greatest danger to civil society will be those more likely to put their trust in things which are not as easily subjected to sovereign control.

---

were made to achieve satisfaction, which also depended on opinion" (166–7). Appleby does not allow that Locke understood these things. Paradoxically, it is perhaps Locke's opinion of greater potential powers in government, regarding most men, than Hodges allowed, that brought him to the particular tactics he applied. Though he did not disagree that there were *ultimate* limits on government.

[35]Hayek (1948, 209) summarizes the main advantages of the gold standard as: "it created in effect an international currency without submitting national monetary policy to the decisions of an international authority; it made monetary policy in a great measure automatic and thereby predictable; and the changes in the supply of basic money which its mechanism secured were on the whole in the right direction." Cf. Friedman 1982, Ch.3.

The safest course for people to take is to be aware of this. This will be immediately possible if the less common, but more primary and dangerous, belief can be made a fashion, even a sacred one. All men ought to be taught to contract for quantities of silver.

As Locke told us in particular eighteen, understanding the "technical" requisites of money "serve[s] rather to give us some light into the nature of Money, than to teach here a new Measure of Traffick" (*SC*, 264). Expanding credit irrespective of the international situation "if practicable, will not hinder us from being Poor; but may be suspected to help to make us so, by keeping us from feeling our Poverty, which *in Distress* will be sure to find us with greater disadvantage" (*SC*, 234–5 emphasis added).

The Priority of Self-Preservation. Hume seems to echo this Lockean note when he contrasts the ancient and modern policies regarding the treasury and war. Whereas the ancients stored treasure for wars of conquest or defense, the modern approach is "to mortgage the public revenues, and to trust that posterity will pay off the incumbrances contracted by their ancestors" (Hume 1970, 90):

> If the abuses of treasures be dangerous, either by engaging the state in rash enterprizes, or making it neglect military discipline, in confidence of its riches; the abuses or mortgaging are more certain and inevitable; poverty, impotence, and subjection to foreign powers.
>
> According to modern policy war is attended with every destructive circumstance; loss of men, encrease of taxes decay of commerce, dissipation of money, devastation by sea and land. According to ancient maxims, the opening of the public treasure, as it produced an uncommon affluence of gold and silver, served as a temporary encouragement to industry, and atoned, in some degree, for the inevitable calamities of war. (91–2)

In illustrating the faults of the modern system, however, Hume bears witness to the ease with which public debt can be expanded to finance war. In the very next paragraph he asserts that it is too tempting to politicians to contract public debt "without overburthening the people with taxes, or exciting any immediate clamours against himself. The practice, therefore, of contracting debt will almost infallibly be abused, in

every government" (92). We still wage war, even *without* silver and gold. We just do it on public credit.

Locke's own apparent concern for war stores seems finally to be an idle threat.[36] If inflating the money supply allows us to constantly gain more trade, population and 'moveables' (what we might like to call capital), more ships, guns and soldiers, then how much gold or silver we have is irrelevant to our ability to wage war. If there is some ultimate limit to the funding of debt, it is extremely indefinite. The ease of waging war without metal treasure was so great that a century later Kant would say that outlawing debt-funded military power was necessary to the possibility of a 'perpetual peace':

> No national debt shall be contracted in connection with the external affairs of the state.
> There is no cause for suspicion if help for the national economy is sought inside or outside the state (e.g. for improvements to roads, new settlements, storage of foodstuffs for years of famine, etc.). ***But a credit system, if used by the powers as an instrument of aggression against one another, shows the power of money in its most dangerous form.*** For while the debts thereby incurred are always secure against present demands (because not all the creditors will demand payment at the same time), these debts go on growing indefinitely. This ingenious system, invented by a commercial people in the present century, provides a military fund which may exceed the resources of all the other states put together. It can only be exhausted by an eventual tax-deficit, which may be postponed for a considerable time by the commercial stimulus which industry and trade receive through the credit system. This ease in making war, coupled with the warlike inclination of those in power (which seems to be an integral feature of human nature), is thus a great obstacle in the way of perpetual peace. Foreign debts must therefore be prohibited by a preliminary article of such a peace, otherwise national bankruptcy, inevitable in the long run, would necessarily involve various other states in the resultant loss without their having deserved it, thus inflicting upon them a public injury. Other states are therefore justified in allying themselves against such a state and its pretensions. (Kant 1970, 95, emphasis added)

If great *material* wealth and power were Locke's foremost concern, then trying to limit credit by fixing it to silver was pure folly.

But Locke's Hobbesian threats of fearsome death should not be expected to reveal

---

[36]For the concern, see e.g., *SC*, 313

the underlying basis of Lockean natural right.[37] It is precisely in the *unimportance* of the metal standard to the modern viewpoint that it becomes clear that Locke's is not, in this, a modern view, and his *moral* intention bares its face. Attaching the law to the natural value of silver or gold is not best understood as, in the first place, a means to material self-preservation, but as establishing a limit to credit expansion which encourages moral improvement toward sobriety, frugality and industry—moral self-preservation. One might almost even suspect Locke of trumping up the currency crisis with his early advocacy of recoinage among England's elite, at the dinner table of Lord and Lady Masham.[38]

To the extent that there is finally a material cost of modern 'credit expansion', or language debasement, it derives from the ultimate price of a perfectly unscrupulous citizenry, whose lack of trust in changing terms of trade finally makes them unfit to be trusted by others, and even to work together.[39] We have seen that for Locke the unity of our very selves grounds finally on trust. The elemental form of trust in the *political* sphere is the trust in the possibility that *others* are like ourselves. Our own wonder at our relationship to the divine encourages us, in the absence of contrary proof, to look to what may be divine in others. This charitable assumption sets the limit to acquisition which

---

[37]Cf. Cox 1960, Ch.5.

[38]See above, pp.9–10. Had the recoinage come a year earlier, as Locke had wished, it may even have ruined England's chances for a profitable peace with France in 1697. Jones (1988) states that "clipping was England's salvation. It staved off monetary stringency and the collapse of internal spending" (247–8). Caffentzis, against this, claims that the *recoinage* ultimately saved England and so must have been designed to help its ability to support foreign war and empire. He manages this explanation by denying that Locke understood how money works as credit, and so he even denies that Locke saw the economic crisis following upon recoinage as a deflation, since there was no less of the money substance, cf. 37–40, 185, 188.

[39]See Weber 1958, 57.

precludes harming others unnecessarily. When charity is disallowed by shallow probity one eventually reaches the extreme of unlimited acquisition where others, and even our selves can come to light as what Heidegger termed 'standing reserve.' In the pure power teachings of later modernity, this slide is manifest.[40] For Hobbes already "The *Value*, or WORTH of a man, is as of all other things, his Price; that is to say, so much as would be given for the use of his Power: and therefore is not absolute; but a thing dependant on the need and judgement of another" (*Leviathan*, I, 10, 151–2).[41] Yet without a stable medium of meaning, the slide into meaninglessness, nihilism, need not even be halted at the reduction of all being to exchange value. The bottom of the slide may be an even more utter faithlessness, which proceeds to the destruction of the very medium of exchange and the very possibility of valuation.

Caffentzis argues that the difference between the "state philosophers" (1989, 91), Locke and Keynes, is Keynes's more radical conception of the insubstantiality of 'money.'[42] This allows Keynes to conceive possibilities for state manipulation that Locke could not. Quite the reverse seems more likely to be true. It is precisely Locke's clearer conception of the radical mutability of meaning *for most people* that he was careful to insist upon an apparently fixed reference.

The reason that Locke tied credit to metal is that it created a situation in which trust and security and common charity could grow among members of the commonwealth. It was, in other words, with an eye especially toward the internal

---

[40]Cf. Vattimo 1988, chapter 21.

[41]Cf. Petty 1899, 106, 152, 267, 454, 512, 564. Putting a price tag on life is hardly even questioned today.

[42]Cf. Caffentzis 1989, 89–100.

economy of the country, and the internal economy of its citizens.[43] Fixing credit to metal was part of an overall effort to create a situation in which the national good has as great a possible consonance with the *natural* security of all individuals. It set an apparently natural and tangible limit on the expansion of the economy, preventing the kind of economic growth that in apparently satisfying needs, ultimately only breeds more of them[44]—the kind of economy fraught with advertising aimed at creating uneasy appetites, where corporate raiders can justify their parasitism as 'weeding out', and in which money may seem to many to be a good in itself.[45]

---

[43]Hume 19 , 94–6, lists five harms to the internal economy to be expected from undue expansion of public credit. It will: 1) "cause a mighty confluence of people and riches to the capital," 2) "banish gold and silver," 3) require increased taxes, 4)render the public tributary to foreign creditors, and 5) put more stock in the hands of idle people.

[44]Caffentzis's Locke understood the indeterminacy of language, but saw in the substantial aspect of money, the association of money with metal, silver or gold, as a simple solution to the problem. Money is for Locke a mixed mode, but it may be associated with a substantial element which will act as a natural regulator of people's idea of it, see 1989, 84–5, 163. I would only slightly amend this to say that it was people's shared *opinion* of substance that was closer to the source of the regulation. Caffentzis recognizes the role of the philosopher's law, but perhaps not how deep it went for Locke.

[45]Rousseau 1978, 226–36 "From this rule flows the most important maxim of the administration of finances, which is to work much more carefully to prevent needs than to increase revenues. However diligent one is, help that comes only after the harm is done, and more slowly, always leaves the State in distress. While the remedy for one difficulty is being worked out, another is already being experienced, and the resources themselves produce new difficulties. So that in the end the nation is overwhelmed with debts, the people is downtrodden, the government loses all its vigor and it no longer does much of anything with a great deal of money." (227)

"If one examines how the needs of a State grow, this will often be found to happen in about the same way as it does for private individuals, less by true necessity than by an expansion of frivolous desires, and often expenses are increased solely to provide a pretext for increasing income. Thus the State would sometimes profit from not being rich, and such apparent wealth is basically a greater burden than poverty itself would be. There may be the hope, it is true, of holding peoples in stricter dependence by giving them with one hand what has been taken away from them with the other; and this was the policy Joseph used with the Egyptians. But this vain sophism is all the more fatal to the

The 'natural,' pre- and inter-national, money convention ought not to be changed by the civil government. Appleby laments that Locke's "sweeping reconstruction of reality" "threatened a particularly fruitful line of economic development—the cultivation of a rising class of consumers and the expansion of purchasing power through currency-inflation" (68). What he put forth as objective science, she argues, was actually "inseparable from his effort to create a new social reality in which property rights stood outside the control of sovereign authority"(65). "Locke, the empiricist, stands forth as the creator of a system whose moral basis was more important than the observable phenomena it attempted to explain" (68). "Men believed in natural economic laws not because the facts led them to that conclusion but because of the social, political and intellectual implications of their possible existence"(69).

There is nothing in this—as far as it goes, and apart from the characterization of the fruitfulness of inflation and the stance of moral derision—with which we need much disagree. Locke is not denying that mankind's habitual behavior changes the character of their trust over time, he is simply denying that the character of the government's agency, its mode of being and acting, is naturally exercised in manipulation of the monetary standard. As we have seen, his own recommendation is in fact a change from the most common current assessment of the value of silver. His own behavior in writing *Some Considerations* is a political action aimed at modifying this human "nature." Yet it is a peculiar kind of modification. The change which Locke recommends, is not a change in respect of the law of England.[46]

State in that the money does not return to the same hands from which it came, and that maxims of this sort only enrich idlers with spoils taken from useful men."

[46]See especially *FP, 369.*

The New World Order. While Locke preferred silver, it may nevertheless be said that the 'gold standard' upon which modern Europe was built, was largely his creation.[47] The moral effects of the Lockean rhetoric also extend outward beyond the national borders, just as they extend inward to individual economies. If the sum of the money commodity in the world were fixed—or rather, if all countries were equally susceptible to its variations—then each country would get more of it in proportion to its net productivity: its population, technology, and fashion. Since the first two of these will be found to be in large measure dependent on the third, we can say that a country's fashion, especially its 'work ethic,' will largely determine its wealth.

Even if such a world-system could be established, it would not be self-sustaining.[48] It would depend on something like the fashion which Locke invented to support it, misnamed the "Protestant ethic." Locke had to hide the need for that ethic as part of the task of convincing people of its justice. By tying trust, or credit, to a tangible/practical marker, Locke 'created' a world in which the science of 'objective' economics could come to be. By the end of the nineteenth century, however, the deeper understanding of liberal freedom had degenerated into the superficial material understanding which is common today. Perhaps in hiding the role of fashion from most, he hid it from precisely those whose efforts were needed to support it by the publication of the results of their private prudence.[49] The ground for private prudence necessary to the understanding of political philosophy seemed to have all but disappeared. Once the

---

[47]Cf. Li 1963, chs. 11–14; Horsefield 1960, chs.6–7; Feavearyear 1963, ch.7.

[48]Polin (1960, 281–95) goes further than most in trying to reconcile Locke's political economic activity and writings with the rest of his thought. He may be overly blithe in ignoring the different level of operation of the exhortation and the technological system, and so obscuring how Locke's meaning could ever be mis–taken by his followers.

[49]See Colie (1966) and esp. Tarcov 1984, 77–83.

role of moral fashion had become invisible, the tightening belt of the gold standard, rather than capping a system such that countries were driven to improve their morals in order to survive, was viewed as forcing countries into an ever more internecine struggle for international markets. For Keynes, the nineteenth century balance of power system, with the gold standard as its basis, came to light as the horror of a system which made each country's gain dependent on another's loss. International trade had become a "desperate expedient to maintain employment at home by forcing sales on foreign markets and restricting purchases, which, if successful, will merely shift the problem of unemployment to the neighbour which is worsted in the struggle . . ." (Keynes 1935, 382–3).

Countries that once got ahead in the international system, had a self-compounding advantage. They had more money, and so lower interest rates, more investment, more machines, more people and skilled labor, more efficient production, and so more money, etc. Countries which could not quickly enough change their ethic or prevent foreign capital invasion were crushed by the industry of those who did. The gold standard could only work on the basis of the easy spread of not only technological expertise, but also the ethic of frugality which was supposed to accompany it. Otherwise, it made the sucking of resources into productive countries that much more inexorable. Karl Polanyi argues that by the 1920s the United States, in order to maintain gold standard solidarity, was in the odd position of having to keep *artificially* low interest rates in order to *prevent* huge capital transfers *into* its borders.[50] This only exacerbated inflation and hastened what became the great worldwide depression. Keynes saw the remedy for this in loosening up the ties in the international monetary system:

> It is the policy of an autonomous rate of interest, unimpeded by international preoccupations, and of a national investment programme

---

[50]Polanyi, 1944, 26.

> directed to an optimum level of domestic employment which is twice blessed in the sense that it helps ourselves and our neighbours at the same time. And it is the simultaneous pursuit of these policies by all countries together which is capable of restoring economic health and strength internationally, whether we measure it by the level of domestic employment or by the volume of international trade. (Keynes 1935, 349)

No one would deny that the way the gold standard was actually working was inadequate. Nor would any sane person deny that it is abominable that children anywhere die of hunger. But this does not mean that *denying* natural healthy limits is a prudent solution. This may not only be a lesson for the distant past. Consider the trend in the debt status of the United States, public and private, as well as changes in our trade imbalance and gold reserves since we finally abandoned any semblance of the gold standard, to go to fully flexible exchange rates, in the early 1970s. It has not been as simple as we thought to untie any nation's money from the rest of world.[51] Going off the gold standard was not the cause of this debt. Americans consume more than they produce. How will this situation end? No doubt the recent debate regarding the national debt is helpful, but what about individual debt? Our elected representatives, as proxies for us, are no better, on the whole, than our moral fashion. In the climate of our fashionable moral and economic beliefs, there is little incentive to thrift. The parallel between material and spiritual wealth is no longer visible to us.

If we share Keynes' technological dream that capital may be made no longer scarce, that desire is not an essential feature of human being, then the inflationist argument will appear to hold true as a political solution. Otherwise it is dangerous. If the inability to be perfectly free from want is a limit in this life, then only recognizing this limit can we govern ourselves well. When one considers the character of those limits, and the resistance of most people to acknowledging them, even the rather extreme measure of a metal standard seems reasonable. Today we are no more free from the

---

[51]Cf. Peterson 1988, 304–5, with 324–9.

necessity of considering the interaction of economics and morals than we ever were. There are still good reasons for varying from a fixed system. However, just this necessity of making exceptions to any such fixed system ought to induce us to consider carefully the character of common charity.

CONCLUSION

> *Thus you shall find a distracted Man fancying himself a King, with a right inference, require suitable Attendance, Respect, and Obedience: Others who have thought themselves made of Glass, have used the caution necessary to preserve such brittle Bodies. Hence it comes to pass, that a Man, who is very sober, and of a right Understanding in all other things, may in one particular be as frantick, as any in* Bedlam*; if either by any sudden very strong impression, or long fixing his Fancy upon one sort of Thoughts, incoherent* Ideas *have been cemented together so powerfully, as to remain united. But there are degrees of Madness, as of Folly; the disorderly jumbling* Ideas *together, is in some more, in some less. In short, herein seems to lie the difference between Idiots and mad Men, That mad Men put wrong* Ideas *together, and so make wrong Propositions, but argue and reason right from them: But Idiots make very few or no Propositions, and reason scarce at all.*
>
> Essay II, xi, 13

In *Some Considerations,* no less than elsewhere, Locke showed himself a master of the rhetorical art. We began this examination of Locke's economic thought on the basis of the premise that Locke was forced to make enthymemic arguments in order to win a politically effective audience among his intended readership. We have significantly deepened our understanding of Locke's political goals as we have examined *Some Considerations*, but nothing has changed our basic initial premise.

Locke did not lie. He simply accommodated his writing to the heterogeneity of his readership. The careful, good-intentioned, intelligent and experienced reader may see well the *nature* on which Locke continued to affirm that his principles there were grounded. In his dedicatory epistle to *Further Considerations* Locke would say of his earlier work that:

> The Principles I there went on, I see no reason to alter: They have, if I

> mistake not, their Foundation in Nature, and will stand: They have their Foundation in Nature, and are clear; and will be so, in all the Train of their Consequences throughout this whole (as it is thought) mysterious Business of Money, to all those, who will but be at the easie Trouble of stripping this Subject of hard, obscure and doubtful Words, wherewith Men are misled and mislead others. (*FC*, 403)

Locke's teaching is usually broken apart and studied piecemeal. It will not give in to interpretation in such a manner. Locke censured this kind of criticism, recommending a holistic alternative:

> To this, yet as dangerous as it is, the ordinary way of managing controversies in the world directly tends. If an opponent can find one weak place in his adversary's doctrine, and reduce him to a stand, with difficulties rising from thence, he presently concludes he has got the day, and may justly triumph in the goodness of his own cause; whereas victory no more certainly always accompanies truth, than it does right. It shows indeed the weakness of the part attacked, or of the defence of it; but to show which side has the best pretence to truth and followers, the two whole systems must be set by one another, and considered entirely, and then see which is most consistent in all its parts, which least clogged with incoherencies or absurdities, and which freest from begged principles and unintelligible notions. This is the fairest way to search after truth, and the surest not to mistake on which side she is. (King, 1830, 2:153)

We misread Locke when we do not study him in light of the possibility of an undisclosed coherent whole teaching. Reading our dogmatic assumptions of homogeneity back into the past, we are deprived the view of the possible motive that would make him write judiciously. We are forced to deal with inconsistencies by superficially homogenizing them—e.g., the labor theory of property as bodily labor is reconciled to the determination of property by civil society by the positing of the activity of history leading from one to the other; or we assimilate Locke to the 'spirit of capitalism', and the science of economics, by not asking how the inconsistencies in his economic writings are solved by the ethic he promoted.

Our procedure here, which has been to suppose that Locke's teaching emanated from a more profound unity, has yielded a somewhat different result. We have assumed that Locke makes knowledge claims based on the complex 'subjectivist' epistemological

position of the *Essay*. This first made us reconsider his understanding of *intrinsic value*—especially the intrinsic value of money; to remember that powers for Locke are always perceived powers. It also made us diligent to consider that *market values* are discussable *scientifically*, only to the extent that they are considered as *constructs*, and that as relating to 'real world' they are considered a posteriori, as given. The perfect certainty of which we are capable regarding such moral mixed modes, all comes at the price of its application to the 'real world': ". . . the Truth and Certainty of *moral* Discourses abstracts from the Lives of Men." (*Essay* IV, iv, 8, 566). To the extent that we would apply reason to our daily lives, *charity* is pressed upon us.

At the center of Locke's teaching on money, we found the ambiguous question of the character of the quantity and vent of money. We found that Locke manipulated his usage of *money* in order to get different kinds of readers to read it differently, in order to get them to adopt opinions and policies which would fortify society against the manipulations of the unscrupulous. We found that Locke was especially concerned to get the landed to adopt a wary attitude toward merchants of all kinds in its paternal care for the nation.

The intimate connection of human desires ultimately made necessary national protection within the *a single* monetary system. Policies for the greatest practical national security must acknowledge international dependence. Nevertheless, the character of money as credit showed the disequilibrious character of international economic relations, and indicated the final reliance of real security on moral custom.

In the last two chapters we have seen the model for the Lockean fashion, as well as the reasons for its concealed presentation, and we have considered the view of the world to which it led. By considering the role of custom, we have made some sense of the apparent inconsistency between Locke's superficially modern, technological, 'labor theory of value' and his 'mercantilist' policy recommendations and indefatigable moral

exhortation which worked to insinuate a powerful and healthy ethic. Furthermore, we have been able to show how his apparently mechanical treatment of the market and government's relation to the market actually relied on, was grounded by, a view of the best or most consistent, most reasonable and human way of life.

Once we acknowledge the role which personal *differences* played in Locke's thought, and his presentation of his thought, we can understand how the quintessentially Lockean teaching of the separation of church and state required veiling the force of custom, yet nonetheless used that force. Locke taught *values* and *rights*, not *virtues*, because the magistrate's role in promoting *virtues* was too long-established to suffer being denied. Values, on the other hand, appear as fundamentally subjective. A person's relation to his values is one of self-reliance.

Locke's 'shotgun-style' writing procedure allows for all kinds of readings. It allows fear to work for those who find themselves in bodily pleasure, and it allows the beautiful vision of a Christian Gentleman to work for those who would make something better of themselves. Utility and virtue, goodness and beauty, are finally subservient to truth simply, but by his deployment of different parts of his system, abstracted from the whole, into different books, with largely different audiences, he can teach different people what he thinks they most need. He taught parents, for example, the power of habits, yet abstracted from direct discussion of that power in *Some Considerations*, in order to actually employ its force with 'political economists,' in what is apparently not the important, logical, part of his discussion. Even where this tactic led some away from a comprehensive understanding, it had the salutary effect of multiplying, and so debilitating factions to the point of impotence.

Those among the ambitious who will not be dissuaded from finding in Locke an excuse for unlimited acquisition—"the contest of riches"—were at least channeled into acquisition by greater investment, which would be healthy for others in a way that

miserliness or profligacy is not—conspicuous acquisition is not identical with conspicuous consumption. And where the contest turned to consumption, legislators were taught to see that luxuries which did not create national income through job creation, did so through tax collection.

To potential 'social theorists' he suggested building an economic science by structuring *Some Considerations* as he did. As we saw Vickers say above: "It became important to the century that followed that, *by stating the case in the way he did, Locke opened the way to the development of a theory of monetary balance and economic equilibrium*" (Vickers 1959, 60 emphasis added). Similarly, the *Two Treatises* he wrote so that one way to read it suggests systemization.[1] It is this that makes him a kind of unwilling prophet of a both the 'social sciences' and the capitalist governing policies related to them, as well as of extreme historicist power teachings.

Yet the making of Locke into simply a prophet of capitalism, no less than the making of him into a naive kind of Christian, is a strategy aimed at dismissing his thought. It amounts to rejecting what is the best part of the effective truth of his thought. Locke's teaching, the American 'credo', is *not* a rationalization of unlimited acquisition of physical property. Nor does Locke finally relativize individual values. Locke's teaching is a subtle and complex articulation of the human condition, as seen from the viewpoint of one who understood the *pursuit of happiness* in terms of the ultimate necessity of the search for God who is truth, in order to make sense of human life. Not the labor of the body or the scheming of the broker, but the diligent management of the judgment which keeps ultimate happiness always visible amidst uncertain conditions is the 'true original', as both foundation and summit, of the Lockean doctrine. Wealth is

---

[1]Xenophon seems to have understood part of Socrates project as turning the ambitious toward a kind of technical perfection, e.g., *Memorabilia* 3.6. McNamara 1995, is an excellent discussion of the "spirit of system" in Adam Smith's thought. See Part IV of *The Theory of the Moral Sentiments.*

finally a moral standard. The highest standard for wealth, for Locke, is not the ownership of things, but the greatest possible security in the hope for timeless bliss. Lockean 'liberalism' is 'conservative.' It is not the conservation of a historical moment, but of an eternal possibility. This philosophical conservatism is *not simply laissez-faire.*

The questions which have been taken over into the modern field of economics are questions which when fully considered, go all the way down. The independence of the field has relied on creating an artificial floor, beneath which its practitioners are not encouraged to look. This is suitable for limited practical purposes, but the character of the floor, the limited applicability of the technology, must be seen and taught if the science is not to be dogmatic, distorting, and thereby harmful.

ANCIENTS AND MODERNS

In typically modern teachings, where the reality of power or effectiveness is the starting presumption, the *question* of the goodness of life finally disappears. The value of life is perfectly determinable, and utility becomes the sole criterion of political incorporation. To the extent that the political question of groupings of friends and enemies remains visible, friends are determined by their usefulness alone. In Locke, unlike the pure power theorists of modernity, the *questions* of power and life remain, as questions—however obscure and whisperingly. In *Some Considerations*, as we have seen, this takes the form of the concrete political grouping of landowners and like-minded citizens, to whom *honor* is still visible, and in whom Locke encourages its maintenance. In the *Two Treatises* these questions take the form of God's ownership of one's life, highlighting one's impotence to destroy that of which one does not know the source or the substance. It is seen further in the explicit assimilation of at least a minimal love of others into one's love of oneself, of charitable concern into concern for justice. For Locke, one's own life and

the lives of one's beloveds, is exempted from the power account. They are the givens on which all other values depend, the nearly invisible conditions of power or effectiveness, their essential meaning to be privately pursued. Life itself may not reasonably be given an exchange value. That is a judgment rightly left to God.

And yet, Locke did settle on a vocabulary of power, property, value and right for the common terms within which different classes may limit their controversies. These have *in fact concealed* the non-power basis of his thought, the *question* of power. Political considerations which were at the heart of Locke's own thought were disguised so thoroughly that they helped make the political itself disappear to many eyes. The appearance of *property right* as physically natural, and the apparent distinction between human nature and convention, combined with the spirit of system, yielded the apparent autonomy of a 'social science' of economics. Though intended as a kind of *moral* enlightenment, the very encouragement of more widespread education requires the simplification of knowledge, and carries the risk of its reduction to misleading catechism. In appearing to give the marketplace what it needed in order to function on its own, Locke contributed to the world in which Nietzsche could lament that:

> These young men lack neither character nor talent nor industry: but they have never been allowed time to choose a course for themselves; on the contrary, they have been accustomed from childhood onwards to being given a course by someone else. When they were mature enough to be 'sent off into the desert,' something else was done—they were employed, they were purloined from themselves, they were trained to be *worn out daily* and taught to regard this as a matter of duty—and now they cannot do without it and would not have it otherwise. (1982, #178, 107)

Pangle places this ultimate fault of Locke's rhetorical strategy in his failure to account for the joys of his own chosen way of life:

> Yet Locke never begins to show how philosophy, understood as an overriding concern for self-determination based on rational self-knowledge, might grow out of what Tarcov calls men's original (and highly questionable) "overriding desire to have their own way." Locke's account of the rational maturation of this desire to have one's own way ends with the concern for comfortable self-preservation and the desire for

> esteem and recognition from others. Locke's fullest account of human action, and of the coordination of reason and passion in action (ECHU II xxi), indicates the birth of no distinctive passion or *eros* of reason. The experience of freedom which Locke celebrates as the privilege of finite intellects remains an experience of power—that is, an experience of means, not ends; an experience of something that cannot itself serve unambiguously as an end in life. (1988, 269)

Locke does not answer the question: "Why should, why does, a philosopher write treatises on government and education?" Yet Pangle cannot mean by this that no one was in fact inspired by Locke to also write treatises on government and education. Almost the entire Enlightenment could be attributed to such inspiration. Perhaps he means that Locke left insufficient clues as to the specific character of the ultimate basis for his thought? Locke may finally have to be condemned for this. The basis for his thought did disappear. But we are entitled to ask whether this was necessary; or, if it was, whether the necessity followed from the character of Locke's work, or from elsewhere. Pangle says that what Locke did not account for was his passionate philosophical love, or *eros*:

> Could one not say that a distinct passion, a passion to know oneself, to own oneself, to *be* fully a self, can supervene and even take precedence over all the other passions? In this sense, may not reason, and the desire to know, which begin by being servants, come to be the masters of the most rational and free human self? Is this passion, this *eros* born of needy poverty and wily resourcefulness, not the core of the philosophic experience, and the solid summit of the human climb to freedom and sober self-respect or self-satisfaction? (268)
>
> At no point, in no way, does Locke's cryptic self-portrait signal the gulf that separates the philosophic from the unphilosophic life (cf. similarly CU [*Conduct*] xix, xxxii, xxxvii). He does not hint at the drastic reorientation, the inner declaration of independence—what Socrates called the "turning of the soul" (Plato *Republic* 521c) . . . (270)

The parents of this *eros* are not the parents of *philosophical* love *only*. One recognizes our given situation of penury and labor as the roots of property from section thirty-two of the *Second Treatise*. Is it not partly our own fault that we are not willing to read Locke on *property* as on life and liberty, even the greatest liberty, as well as on estate? Furthermore, in the ultimate section of the *Conduct*, for example, Locke does indeed discuss how to "allay the present passion, or counterbalance it with another," in order to

achieve so inspiring a "liberty of mind" that "at the last he may have a full power over his own mind, and be so fully master of his own thoughts as to be able to transfer them from one subject to another, with the same ease that he can lay by anything he has in his hand, and take something else that he has a mind to in the room of it" (45, 110–11).

Even if we concede to Pangle and others that Locke darkened too much his account of the love of wisdom, can we reasonably grant what he says here about the selfish character of philosophy? Pangle's very citation of the 'Socratic turn' is an acknowledgment of a turning away from the transient, toward a being far *outside of one's self*. The philosopher's independence and self-knowledge happen within the context of his supreme *obedience* to truth and his self-questioning, even a kind of self-abnegation. What Pangle must finally mean is that Locke did not provide a politically effective *image* of philosophy which would serve as a model for pseudo-philosophers, in the style of the moral virtue of Aristotelian philosophy. Mansfield says approximately the same thing when he says that "Locke lets go of prudence" (1989, 209). He does not necessarily mean that Locke himself is not prudent, and even perhaps in the highest degree. In the last analysis both ancient and modern political philosophers, to the extent that they are philosophers, in the original classic meaning of the word, share the common assumption that there may be an eternal unchanging truth and order and that life is best lived in search of it. None *simply* denies the naturalness of reason. To say that Locke lets go of prudence must rather be to say that he does not teach a less perfect form or image of prudence to those not as capable of true prudence as himself.

Priests. If we remember Locke's critique of priestly practice, we may put ourselves into a position to speculate about the reasons for and character of his modification of the classic teaching. A brief account of the theologico-political situation as Locke understood it may serve both to show us his reasons for the particular rhetorical approach he adopted, and to

point up the questions up against which we have come, which make the limit of the present study.

In his given historical context, and considering the heterogeneity of readers, Locke was not free to preach *eros* as Pangle wants him to have been. He need only show the viability of such a path to those who might see it. I have tried to suggest here that he does this better than Pangle admits. Pangle, in his discourse, underestimates the importance of considering the character of Locke's critique of the phenomenon of "priesthood." Precisely the open teaching of *eros* had been contorted into monstrous shapes by priestly 'Christians'. In his journal article on 'Sacerdos,' Locke argues that:

> the clergy, by degrees, as Christianity spread, affecting dominion, laid claim to a priesthood, derived by succession from Christ, and so independent from the civil power, receiving . . . an indelible character, particular sanctity, and a power immediately from Heaven to do several things which are not lawful to be done by other men. The chief whereof are—1st. To teach opinions concerning God, a future state, and ways of worship. 2nd. To do and perform themselves certain rites exclusive of others. 3rd. To punish dissenters from their doctrines and rules. Whereas it is evident from Scripture, that all priesthood terminated in the Great High Priest, Jesus Christ, who was the last Priest. (King, 88)

The last of these usurped powers especially laid the ground for heinous abuses. The clergy has "almost ever since the first ages of the Church, laid claim to this power, separate from civil government, as received from God himself" (89). Christ himself is not "the author of those disorders" (87); Anti-christ has sown those tares in the field of the Church" (87–8). The application of this power, the abuse of true Christianity by ambitious men, varied according to circumstances:

> wherever the civil magistrate hath been Christian and of their own opinion, and superior in power to the clergy, and they not able to cope with him, pretended this power only to be spiritual, and to extend no farther; but yet still pressed, as a duty on the magistrate, to punish and persecute those whom they disliked and declared against. And so when they excommunicated, their under officer, the magistrate, was to execute; and to reward princes for their doing their drudgery, they have (whenever princes have been serviceable to their ends,) been careful to preach up monarchy *jure divino*; for commonwealths have hitherto been less favourable to their power. But notwithstanding the *jus divinum* of

> monarchy, when any Prince hath dared to dissent from their doctrines or forms, or been less apt to execute the decrees of the hierarchy, they have been the first and forwardest in giving check to his authority, and disturbance to his government. And Princes, on the other side, being apt to hearken to such as seem to advance their authority, and bring in religion to the assistance of their absolute power, have been generally very ready to worry those sheep who have ever so little straggled out of those shepherds' folds, where they were kept in order to be shorn by them both, and to be howled on both upon subjects and neighbours at their pleasure: and hence have come most of the calamities which have so long disturbed and wasted Christendom. (King, 2:89–90)

Under the influence of priests the magistrate was taught the arts of suppression. The people, on the other hand, who cannot help but believe as they do, join together secretly to protect themselves. This confrontation of oppression and the desire for religious liberty creates "dislikes, jealousies, apprehensions and factions, which seldom fail to break out into downright persecution or open war" (91). When the princes of a country are less strong, the clergy does not bother with the ruse of the divine right *of kings*:

> then is it seen how far their spiritual power extends, and how, *in ordine ad spiritualia,* absolute temporal power comes in. So that ordination, that begins in priesthood, if it be let alone, will certainly grow up to absolute empire; and though Christ declares himself to have no kingdom of this world, his successors have (whenever they can but grasp the power) a large commission to execute; and that a rigorously civil dominion. The Popedom hath been a large and lasting instance of this. And what Presbytery could do, even in its infancy when it had a little humbled the magistrates, let Scotland show. (King, 2:91–2)[2]

---

[2]Even leaving aside speculation on what might be the attitude of Socrates, Plato or Aristotle toward Christianity, had they been born in Christendom, we may notice that Aristotle did speak to what underlies this characteristic clerical *abuse* of Christian doctrine. What makes the characteristic zeal of 'holy warfare' inspired by the enthusiasm of revelation is the degree of hope given to a kind of ambition which embodies or promotes indifference to life itself. Aristotle says of those who attack the regime out of ambition, that they: "want not a monarchy but reputation, just as in the case of any other extraordinary action from which [men] acquire a name and become notable in the eyes of others. Those who are impelled by this sort of reason are, to be sure, very few in number, for underlying this there must be a lack of all thought for preservation in the event the action is not successful" (*Politics* 1312a25–32).

Cf. *Politics* 1315a7–31, where the monarch's attitude toward spirited subjects is discussed. Assassins "who deliberately choose not to try to save their lives. . ." are considered the most worthy of fear.

Before Christ's message was brought to gentiles—i.e., under the ancient dispensation of faith and reason—those who taught morality by reason and those who taught piety by revelation were understood to be entirely separate. Priests never "pleaded reason" and philosophers "pretended to nothing but reason."[3] Their different domains derived from "the supposition of two clearly distinct originals, viz. revelation and reason" (83). Philosophers, deriving their doctrines from reason alone, "meddled not with the public religion, worship, or ceremonies, but left them entirely to the priests, as the priests left the instruction of men in natural and moral knowledge wholly to the philosophers" (83).

While one may recognize the *politically* salutary character of the ancient separation, no Christian, *in a basically Christian culture*, is simply free to long for its untransformed return. It was, after all, man's *salvation* in Christ's coming that had the

---

If it is possible to be both a Christian (as Locke claims to be and I believe it to be uncharitable schismatics to deny), and an adherent to the essence of philosophy, classically understood, then we might look for how Locke's teaching might accurately be characterized as a modification of the Aristotelian teaching, under circumstances in which one particularly dangerous kind of revolution had been inadvertently encouraged.

One may acknowledge the ambiguity in the following without denying its main thrust. *Reasonableness*, 180–1: "The most elevated understandings cannot but submit to the authority of this doctrine as divine; which coming from the mouths of a company of illiterate men, hath not only the attestation of miracles, but reason to confirm it—since they delivered no precepts but such, as though reason of itself had not clearly made out, yet it could not but assent to, when thus discovered, and think itself indebted for the discovery. The credit and authority our Savior and his apostles had over the minds of men, by the miracles they did, tempted them [*sic*] not to mix (as we find in that of all the sects and philosophers, and other religions) any conceits, any wrong rules, anything tending to their own self-interest, or that of a party, in their morality. No tang of prepossession or fancy, no footsteps of pride or vanity, no touch of ostentation or ambition, appears to have a hand in it. It is all pure, all sincere; nothing too much, nothing wanting; but such a complete rule of life as the wisest men must acknowledge tends entirely to the good of mankind, and that all would be happy, if all would practice it."

[3]This line continues: ". . . though how little their lives answered their own rules whilst they studied ostentation and vanity, rather than solid virtue, Cicero tells us, Tusc. Quæst. l.2c.4" (King, 83–4).

side-effect of expanding the range of priestly abuse:

> Jesus Christ bringing by revelation from Heaven the true religion to mankind, reunited these two again, religion and morality, as the inseparable parts of the worship of God, which ought never to have been separated, wherein for the obtaining the favour and forgiveness of the Deity, the chief part of what man could do consisted in a holy life, and little or nothing at all was left to outward ceremony . . . (84)

The forcefully persuasive example of the miracles and perfect life of the Messiah, in effect, brought *the force of law* to morality, making virtue "visibly the most enriching purchase, and by much the best bargain" (Reasonableness, #245, 184).[4] Given Christ's revelation and abolition of the fallacious distinction between philosophy and that old religion which was merely civil—that is, given the ultimate unity in God's truth of the concerns of morality and piety—only the proper understanding of the *division* between the power of the magistrate and the legitimate persuasion of all believers could rectify the abuses of ambitious priests.

Only in denying the theologico-political situation in which he wrote does one make sense of Locke's rhetoric as dogmatically 'modern.' Locke does not share the typically modern sanguine attitude toward the possibility of universal enlightenment.[5] His writing only gives the appearance of being transparent. Those who take this attitude toward Locke are either in error, or—and this uncharitable imputation is unlikely in either

---

[4]As was mentioned above, the only 'absolute moment' or 'end of history,' for a Christian is symbolized by the crucifixion and resurrection of Christ, or the future resurrection of saints, in the 'fulness of time.' (*Paraphrase*, 252–4, 616–8, 679–84) For Locke, the gracious gift of *private* faith in this moment provides the grounds for faith in the reality of our God-given judgment, the reality of one's *freedom from* the necessity of fate or history, and of an unchanging state. If a Christian must be understood as seeking recognition, it is at least not the recognition of other men—or only insomuch as it comes from what is divine in them. Those who would set themselves in Christ's place may be judged by whether they keep wakeful and adoring God by thinking on whatever is true, excellent and good, or rather resolve to their own will when the 'Romans' burst in at their Gethsemane. Contrast this with the attitude of Locke's epitaph at Fox Bourne, 2:561.

[5]Cf. Strauss 1952, 33–4.

Pangle's or Mansfield's case—their stance is part of an attempt to return to the ancient separation of reason and revelation by denying the change wrought by Christ's teaching. This attempt would be reasonable if its premise—that Christ's teaching amounts to little more than the pampering of mankind by providing ridiculous hope for the actualization of a kind of technological dream of the perfect body—were the final truth of Christianity. Besides the difficulty of repealing technological revelations, Christianity can be interpreted as much more reasonable than that.[6] For Locke, Christ's teaching only revealed to the world the *real insufficiency* of the ancient moral teaching. The classical gentleman's presumed self-sufficiency cannot be any more seriously held by the philosopher than by the Christian.[7] The wall of fashion which separated moral philosophy and religion will not be wished back, even in man's general loss of faith. While it is true that ambition has not been perfectly handled in modern systems, the concoction of philosophy and worldly ambition that makes the danger of priestly men, existed and was no more perfectly handled in the ancient world. Christ did not name Caesars the highest priests or add them to the Pantheon. The inadequacy of any *simple* moral teaching makes part of the timeless plight of the judicious love of the true God.

About man's utter dependence on faith in God for a happy life, the Christian philosopher Locke only disagreed with the Jewish philosopher Maimonides in matters of degree:

> On the other hand, the fulfilling of duties with regard to others imposed upon you on account of moral virtue, such as remedying the injuries of all those who are injured, is called *righteousness*. Therefore it says with reference to the returning of a pledge: *And it shall be righteousness unto you.* For when you walk in the way of the moral virtues, you do justice unto your rational soul, giving her the due that is her right. And because

---

[6]Unlike the straw-god of most contemporary intellectual criticism, Locke's Jesus was not Kantian.

[7]Rosen (1987, 136) takes it for granted that Aristotle "invent[ed] practical intelligence and moral or political virtue."

> every moral virtue is called *righteousness*, it says: *And he believed in the Lord, and it was accounted to him as righteousness.* I refer to the virtue of faith. (Maimonides, Guide III, 53)[8]

Fides. The present analysis is based on faith that Locke shared a faith in the possibility of an eternal unchanging Being—the knowledge of which being the object of the "careful and constant pursuit of true and solid happiness" (*Essay*, II, xxi, 51, 266). This study is an attempt to see how Locke must be read if he had a synoptic view of human life and acted to help bring about healthy conditions for its living. It ultimately comes up against the question of Locke's understanding of the Christian religion. If Locke has a substitute for the teaching of moral or political virtue of the classics it will be found in his Christian writings, especially in the grossly ignored *Paraphrases*, read with "more than an ordinary application."[9]

Locke, at twenty-nine years old, already saw the place of faith in men's lives. We may recognize our own contemporary cynicism in the following words of an unsent letter penned by that young man:

> . . . I can not blame you for yielding to that which is the great commander of the world and tis fancy that rules us all under the title of reason, this is the great guide both of the wise and the foolish, only the former have the good luck to light upon opinions that are most plausible or more advantageous. Where is that Great Diana of the world Reason? Every one thinks that he alone embraces this Juno, whilst others grasp nothing but clouds. We are all Quakers here and there is not a man but thinks he alone hath this light within and all beside stumble in the dark. Tis our passions that brutish part that dispose of our thoughts and actions, we are all

---

[8]Cf. *Questions* 251, re: "the return of a deposit which diminishes our wealth," p.288 above.

[9]In a letter of 19 June, 1704, to Anthony Collins, Locke asks: "In the mean time, give me leave to desire you, to bestow some of your spare hours on the *Epistle to the Corinthians*, and to try whether you can find them intelligible or no. You will easily guess the reason of this; and when I have you here, I hope to convince you it will not be lost labour: only permit me to tell you, you must read them with something more than an ordinary application" (Paraphrases, Introduction, 5–6).

> centaurs and tis the beast that carries us, and everyone's Recta ratio is but the traverses of his own steps. When did ever any truth settle itself in anyone's mind by the strength and authority of its own evidence? Truths gain admittance to our thoughts as the philosopher did to the tyrant by their handsome dress and pleasing aspect, they enter us by composition, and are entertained as they suit with our affections, and as they demean themselves towards our imperious passions, when an opinion hath wrought itself into our approbation and is got under the protection of our liking tis not all the assaults of argument, and the battery of dispute shall dislodge it? Men live upon trust and their knowledge is nothing but opinion moulded up between custom and interest, the two great luminaries of the world, the only lights they walk by. (in Wood 1983, 341)

Yet the young Locke refrained from publishing—even from sending the letter. He waited, worked, searched, deepened his understanding of faith. If the mistaking of his system which seems daily to more distort our world sends us too quickly into the marketplace, then considering Locke's own way of life encourages going off into the desert to mature one's thoughts; one could perhaps say 'going up out of the cave'. Locke did return to the marketplace, as true philosophers have since Socrates, but the desert was given necessary priority. Once one sees the role of trust in the publications that made his reputation, that changed the world, one is prepared to look to his final publication for indications of a far more profound articulation of the character of faith. While the mature Locke would understand the inscription on Maltese coins, "Non aes sed fides," he would prefer with us the reminder on our own, that in the first and last place it is "IN GOD WE TRUST."

LIST OF REFERENCES

LIST OF REFERENCES

Aarsleff, Hans. 1969. "The state of nature and the nature of man in Locke." In *John Locke: Problems and Perspectives*. Ed. John Yolton. Cambridge: The University Press.

———. 1969b. "Some Observations on Recent Locke Scholarship." In *John Locke: Problems and Perspectives*. Ed. John Yolton. Cambridge: The University Press.

———. 1971. "Locke's Reputation in Nineteenth-century England." *The Monist*, 55:392–422.

Allison, Henry E. 1977. "Locke's Theory of Personal Identity: A Re-examination." In Locke on Human Understanding. Edited by I.C. Tipton. Oxford: Oxford University Press.

Ambler, Wayne H. 1985. "Aristotle's Understanding of the Naturalness of the City," *The Review of Politics*. 47: 163–85.

Angell, James W. 1965. *The Theory of International Prices: History, Criticism and Restatement*. New York: Augustus M. Kelly.

Appleby, Joyce Oldham. 1976. "Locke, Liberalism and the Natural Law of Money." *Past and Present* 71:43–69.

———. 1978 *Economic Thought and Ideology in Seventeenth-Century England*. Princeton: Princeton University Press.

Aristotle. 1926. *The "Art" of Rhetoric*. With translation by John Henry Freese. Cambridge: Harvard University Press.

———. 1962. *Nichomachean Ethics*. Translated by Martin Ostwald. New York: Macmillan.

———. 1984. *The Complete Works of Aristotle*. Edited by Jonathon Barnes. Princeton: Princeton University Press.

———. 1984. *The Politics*. Translated and with an Introduction, Notes, and Glossary by Carnes Lord. Chicago: The University of Chicago Press.

Ashcraft, Richard. 1969. "Faith and knowledge in Locke's philosophy." In *John Locke: Problems and Perspectives*. Ed. John Yolton. Cambridge: The University Press.

———. 1986. *Revolutionary Politics and Locke's Two Treatises of Government.* Princeton: Princeton University Press.

Augustine, St. 1994. *Political Writings.* Translated byMichael W. Tkacz and Douglas Kries. Edited by Ernest L. Fortin and douglas Kries, with the Collaboration of Roland Gunn. Introduction by Ernest L. Fortin. Indianapolis: Hackett.

Averroes. 1562. *Aristotelis Stagiritæ libri Moralem totam Philosophiam complectentes, cum Averrois Cordubensis in Moralia Nicomachia Expositione, etc.* Vol.3. Venise: apud Iunctas.

Axtell, James L. 1968. "Introduction" to *The Educational Writings of Johyn Locke.* Cambridge: Cambridge University Press.

Ayers, M.R. 1977. "The Ideas of Power and Substance in Locke's Philosophy." In Locke on Human Understanding. Edited by I.C. Tipton. Oxford: Oxford University Press.

Bacon, Francis. 1676. *The History of the Reigns of Henry the Seventh [etc.].* London.

———. 1942. *Essays and New Atlantis.* Edited, with Notes and Introduction, by Gordon S. Haight. New York: Walter J. Black.

Barbon, Nicholas. 1690. *A Discourse of Trade.* London.

———. 1696. *A Discourse Concerning Coining the New Money lighter. In Answer to Mr. Lock's Considerations about raising the Value of Money.* London: Richard Chitwell.

Beer, M. 1938. *Early British Economics: from the XIIIth to the middle of the XVIIIth century.* London: George Allen and Unwin.

Bloom, Allan. 1979. *Introduction.* In *Emile or On Education.* Introduction, Translation, and Notes by Allan Bloom. New York: Basic Books.

Bodin, Jean. 1962. *The Six Bookes of a Commonweale.* Translated by Knolles, 1606. Edited by Kenneth Douglas McRae. Cambridge, Ma: Harvard University Press.

Bonar, James. 1922. *Philosophy and Political Economy: In Some of their Historical Relations.* 3d ed. London: George Allen and Unwin.

Bowley, Marian. 1963. "Some Seventeenth Century Contributions to the Theory of Value." *Economica.* 30: 122–139.

Cantillon, Richard. 1964. *Essais sur la Nature du Commerce en Général.* Edited with an English Translation and other Material by Henry Higgs. New York: Augustus M. Kelly.

Caton, Hiram. 1988. *The Politics of Progress: The Origins and Development of the Commercial Republic, 1600–1835.* Gainesville: University of Florida Press.

Chalk, Alfred F. 1951. "Natural Law and the Rise of Economic Individualism in England." *Journal of Political Economy*. 59: 332–47.

Cherryholmes, Cleo H. 1988. *Power and Criticism: Poststructural Investigations in Education*. New York: Teachers College Press.

Child, Josiah. 1668. *Brief Observations concerning Trade, and Interest of Money*. London.

———. 1690. *A Discourse about Trade, etc.* London.

Cicero, Marcus Tullius. 1913. *De Officiis*. With translation by Walter Miller. Cambridge, Ma: Harvard University Press.

———. 1942. *De Oratore Book III, De Fato, Paradoxa Stoicorum, De Partitione Oratoria*. With an English Translation by H. Rackham. Cambridge: Harvard University Press.

Coby, Patrick. 1987. "The Law of Nature in Locke's *Second Treatise*: is Locke a Hobbesian? *Review of Politics* 49: 3–28.

Colie, Rosalie. 1966. "John Locke and the Publication of the Private." *Philological Quarterly*. 45: 24–45.

Copernicus, N. 1864. *Monetae cudendae ratio*. With French translation in L. Wolowski, *Traité de la premiere invention des monnaies*. Paris: Librairie de Guillaumin.

Cox, Richard H. 1960. *Locke on War and Peace*. Oxford: Clarendon Press.

———. 1963. "Justice as the Basis of Political Order in Locke." In *Nomos VI: Justice*. Eds. Carl J. Friedrich and John W. Chapman. New York: Atherton Press.

Cranston, Maurice. 1985. *John Locke: A Biography*. Oxford: Oxford University Press.

Cropsey, Joseph. 1957. *Polity and Economy: An Interpretation of the Principles of Adam Smith*. International Scholars Forum, #8. Reprinted by Greenwood Press: Westport, Ct. 1977.

Curti, Merle. 1937. "The Libra Great Mr. Locke: America's Philosopher, 1783–1861." *Huntington Library Bulletin*, no.11: 107–51.

Davidson, Donald. 1985. "On the Very Idea of a Conceptual Scheme." In *Post-Analytic Philosophy* Eds. J. Rajchman and C. West. New York: Columbia University Press.

Dempsey, Bernard W. 1935. "Just Price in a Functional Economy." *American Economic Review* 25:471–486

Descartes, Rene. 1966. *Discours de la Methode*. Edited by Genevieve Rodis-Lewis. Paris: Garnier-Flammarion.

Dewey, John. 1926. "Substance, Power and Quality in Locke." *Philosophical Review.* 35:22–38.

Dunn, John. 1968. "Justice and the Interpretation of Locke's Political Theory." *Political Studies* 16:68–87.

———. 1969. *The Political Thought of John Locke: An Historical Account of the Argument of the "Two Treatises of Government."* Cambridge: The University Press.

———. 1984. "The concept of 'trust' in the politics of John Locke." In *Philosophy in History: Essays on the historiography of philosophy.* Eds. R. Rorty, J.B. Schneewind, Q. Skinner. Cambridge: Cambridge University Press.

———. 1992. "Locke," in *The British Empiricists.* John Dunn, J.O. Urmson, A.J. Ayer. Oxford: Oxford University Press.

Fay, C.R. 1933. "Locke Versus Lowndes." *Cambridge Historical Journal.* 4: 143–155.

Feavearyear, Albert. 1963. *The Pound Sterling: a History of English Money.* 2nd. ed., revised by E.V. Morgan. Oxford: The Clarendon Press.

Foucault, Michel. 1970. *The Order of Things: An Archaeology of the Human Sciences.* A translation of *Les Mots et les choses.* New York: Random House.

———. 1984. *The Foucault Reader.* Edited by Paul Rabinow. New York: Pantheon Books.

Fox Bourne, Henry Richard. 1876. *The Life of John Locke.* 2 vols. New York: Harper.

Frankel, S. Herbert. 1977. *Money: Two Philosophies. The Conflict of Trust and Authority.* Oxford: Basil Blackwell.

Franklin, Benjamin. 1959. *The Papers of Benjamin Franklin, Volume 1.* Edited by Leonard Labaree. New Haven: Yale University P—ress.

Friedman, Milton, 1982. *Capitalism and Freedom.* Chicago: The University of Chicago Press.

Galiani, Ferdinando. 1977. *On Money: A Translation of Della Moneta.* Translated by R. Toscano. Published for Department of Economics, The University of Chicago, by University Microfilms International.

Gadamer, Hans-Georg. 1989. *Truth and Method.* 2d revised ed. Translation revised by Joel Weinsheimer and Donald G. Marshall. New York: Crossroad.

Grant, Ruth W. 1987. *John Locke's Liberalism.* Chicago: The University of Chicago Press.

———. 1988. "Locke's Political Anthropology and Lockean Individualism." *Journal of Politics*, 50:42–63.

Habakkuk, H.J. 1952. "The Long-Term Rate of Interest and the Price of Land in the Seventeenth Century." *Economic History Review*, 2nd ser., 5:26–45.

Hamilton, Alexander, James Madison, and John Jay. 1937. *The Federalist.* Indianapolis: Modern Library.

Harpham, Edward J. 1984. "Natural Law and Early Liberal Economic Thought: A Reconsideration of Locke's Theories of Value." *Social Science Quarterly.* 65: 764–774.

———. 1985. "Class, Commerce and the State: Economic Discourse and Lockean Liberalism in the Seventeenth Century." *Western Political Quarterly.* 38: 565–582.

Hayek, Friedrich A. 1948. *Individualism and Economic Order.* Chicago: The University of Chicago Press.

Heckscher, Eli F. 1955. *Mercantilism.* Revised edition edited by E.F. Soderlund. Translated by Mendel Shapiro. London: George Allen and Unwin.

Hegel, G.W.F. 1952. *Hegel's Philosophy of Right.* Translated with notes by T.M. Knox. Oxford: Oxford University Press.

Hegeland, Hugo. 1969. *The Quantity Theory of Money: A Critical Study of its Historical Development and Interpretation and a Restatement.* New York: Augustus M. Kelley.

Heidegger, Martin. 1977. *Basic Writings.* Edited with General Introduction and Introductions to Each Selection by David Farrell Krell. New York: Harper and Row.

Hobbes, Thomas. 1968. *Leviathan.* Edited with an Introduction by C.B. Macpherson. London: Penguin Books.

Hooker, Richard. 1989. *Of the Laws of Ecclesiastical Polity.* Preface, Book 1, Book 8. Edited by Stephen Mcgrade. Cambridge: Cambridge University Press.

Horsefield, John Keith. 1960. *British Monetary Experiments, 1650–1710.* Cambridge, Harvard University Press.

Horwitz, Robert H. 1977. "John Locke and the Preservation of Liberty: A Perennial Problem of Civic Education." In *The Moral Foundations of the American Republic.* Ed. R.H. Horwitz. Charlottesville: University Press of Virginia.

Hume, David. 1970. *Writings on Economics.* Edited with an Introduction by Eugene Rotwein. Madison: The University of Wisconsin Press.

Jones, D.W. 1988. *War and Economy in the Age of William III and Marlborough.* Oxford: Basil Blackwell.

Kant, Immanuel. 1959. *Prolegomena to Any Future Metaphysics.* With an Introduction by

Lewis White Beck. New York: Macmillan.

———. 1970. *Political Writings*. Edited with an Introduction and Notes by Hans Reiss. Cambridge: Cambridge University Press.

Kelly, Patrick Hyde. 1988. "'All things richly to enjoy': Economics and Politics in Locke's *Two Treatises of Government*." *Political Studies* 36:273–293.

———. 1991. "Introduction." to *Locke on Money*. Oxford: Clarendon Press.

Kendall, Willmoore. 1966. "John Locke Revisited." *The Intercollegiate Review*. 2: 217–234.

Keynes, John Maynard. 1935. *The General Theory of Employment Interest and Money*. New York: Harcourt, Brace and World.

King, Peter. 1830. *The Life of John Locke with Extracts from his Correspondence Journals and Common-Place Books*. 2nd ed. 2 vols. London.

Klein, Jacob. 1968. *Greek Mathematical Thought and the Origin of Algebra*. Translated by Eva Brann. Cambridge, Ma.: M.I.T. Press.

Kojeve, Alexandre. 1969. *Introduction to the Reading of Hegel*. Lectures on the Phenomenology of Spirit, assembled by Raymond Queneau. Edited by Allan Bloom. Translated by James H. Nichols, Jr. Ithaca: Cornell University Press.

———. 1991. "Tyranny and Wisdom." In *On Tyranny: Revised and Expanded Edition, Including the Strauss-Kojeve Correspondence*. Leo Strauss. Eds. Victor Gourevitch and Michael S. Roth. New York: The Free Press.

Kraynak, Robert P. 1970. "John Locke: From Absolutism to Toleration." *The American Political Science Review* 74:53–69.

Lachterman, David Rapport. 1989. *The Ethics of Geometry: A Genealogy of Modernity*. New York: Routledge.

Laslett, Peter. 1963. "Introduction" to *John Locke, Two Treatises of Government*. Cambridge: The University Press.

———. 1969. "John Locke, the great recoinage, and the origins of the Board of Trade: 1695–1698." In *John Locke: Problems and Perspectives*. Ed. John Yolton. Cambridge: The University Press.

Law, John. 1966[1705]. *Money and Trade Considered, with a Proposal for Supplying the Nation with Money*. New York: Augustus M. Kelley.

Leigh, Arthur H. 1974. "John Locke and the quantity theory of money." *History of Political Economy* 1:200–219.

Letwin, William. 1964. *The Origins of Scientific Economics*. Garden City, N.Y.: Doubleday.

Leyden, W. von (ed.). 1954. *John Locke: Essays on the Law of Nature.* Oxford: Clarendon.

Li, Ming-Hsun. 1963. *The Great Recoinage of 1696–1699.* London: Weidenfeld and Nicolson.

Lowith, Karl. 1964. *From Hegel to Nietzsche: the revolution in nineteenth-century thought.* Translated from the German by David E. Green. New York: Holt, Rinehart and Winston.

Lowndes, William. 1695. *A Report Containing An Essay for the Amendment of the Silver Coins.* London.

Macaulay, Thomas Babington. 1915. *The History of England, from the Accession of James II.* Edited by C.H. Firth, 6 vols. New York: Harper and Brothers.

Macpherson, C.B. 1962. *The Political Theory of Possessive Individualism: Hobbes to Locke.* Oxford: Oxford University Press.

Maimonides. 1963. *The Guide of the Perplexed.* Translated with an Introduction and Notes by Shlomo Pines. With an Introductory Essay by Leo Strauss. Chicago: The University of Chicago Press.

Malthus, Thomas Robert. 1993. *An Essay on the Principle of Population.* Edited with an Introduction by Geoffrey Gilbert. Oxford: Oxford University Press.

Mandeville, Bernard. 1957. *The Fable of the Bees: or, Private Vices, Publick Benefits.* Oxford: Clarendon.

Manent, Pierre. 1987. *Histoire Intellectuelle du Liberalisme.* France: Calmann-Lévy.

Mansfield, Harvey C., Jr. 1979. "On the Political Character of Property in Locke." In *Powers, Possessions and Freedom: Essays in Honour of C.B. Macpherson.* Ed. Alkis Kontos. Toronto: University of Toronto Press.

———. 1989. *Taming the Prince: The Ambivalence of Modern Executive Power.* New York: The Free Press.

Marget, Arthur W. 1966. *The Theory of Prices: A Re-Examination of the Central Problems of Monetary Theory.* New York: Augustus M. Kelley.

Marx, Karl. 1952. *Capital.* Edited by Friedrich Engels. Translated from the third German edition by Samuel Moore and Edward Aveling. Revised, with additional translation from the fourth German edition, by Marie Sachey and Herbert Lamm. Chicago: Encyclopedia Brittanica.

———. 1969. *Theories of Surplus-Value.* Volume IV of *Capital*, translated by Emile Burns. Moscow: Progress Publishers.

McClure, Kirstie M. 1996. *Judging Rights: Lockean Politics and the Limits of Consent.* Ithaca: Cornell University Press.

McNally, David. 1988. *Political Economy and the Rise of Caitalism: A Reinterpretation.* Berkeley: University of California Press.

McNamara, Peter. 1995. "Adam Smith's 'System' of Social Science," Paper delivered at the Annual Meeting of the Midwest Political Science Association. Chicago.

Melzer, Arthur M. 1990. *The Natural Goodness of Man: On the System of Rousseau's Thought.* Chicago: The University of Chicago Press.

Milam, Max. 1967. "The Epistemological Basis of Locke's Idea of Property." *Western Political Quarterly* 21:16–30.

Monroe, Arthur Eli. 1945. *Early Economic Thought: Selections from Economic Literature Prior to Adam Smith.* Cambridge, Ma: Harvard University Press.

———. 1965. *Monetary Theory Before Adam Smith.* Gloucester, Ma.: Peter Smith.

Nietzsche, Friedrich. 1966. *Beyond Good and Evil: Prelude to a Philosophy of the Future.* Translated with Commentary by Walter Kaufmann. New York: Vintage Books.

———. 1968. *The Will to Power.* Translated by Walter Kaufmann and R.J. Hollingdale. Edited, with Commentary, by Walter Kaufmann. New York: Vintage Books.

———. 1982. *Daybreak: Thoughts on the Prejudices of Morality.* Translated by R.J. Hollingdale, with an Introduction by Michael Tanner. Cambridge: Cambridge University Press.

North, Sir Dudley. 1691. *Discourses upon Trade; Principally directed to the Cases of the Interest Coynage Clipping Increase of Money.* London: Thomas Basset.

Pangle, Thomas L. 1988. *The Spirit of Modern Republicanism: The Moral Vision of the American Founders and the Philosophy of Locke.* Chicago: The University of Chicago Press.

Parry, Geraint. 1978. *John Locke.* London: George Allen & Unwin.

Peterson, Wallace C. 1988. *Income Employment and Economic Growth.* 8th Ed. London: W.W. Norton.

Petty, Sir William. 1899. *The Economic Writings of Sir William Petty.* Edited by Charles Henry Hull. Cambridge: Cambridge University Press.

———. 1927. *The Petty Papers.* Edited by the Marquis of Lansdowne. 2 vols. London: Constable.

Plato. 1961. *The Collected Dialogues of Plato: Including the Letters.* Edited by Edith Hamilton and Huntington Cairns. Princeton: Princeton University Press.

Plutarch. 1905. *Plutarch's Lives.* Translated by Dryden, corrected from the Greek and revised by A. H. Clough. New York: The Colonial Company.

Polanyi, Karl. 1944. *The Great Transformation*. New York: Rinehart and Co.

Polin, Raymond. 1960. *La politique morale de John Locke*. Paris: Presses universitaires.

———. 1969. "John Locke's conception of freedom." In *John Locke: Problems and Perspectives*. Ed. John Yolton. Cambridge: The University Press.

Rahe, Paul A. 1991. "John Locke's Philosophical Partisanship." *The Political Science Reviewer* 20:1–43.

Ricardo, David 1951. *On the Principles of Political Economy and Taxation*. Cambridge: Cambridge University Press.

Riley, Patrick. 1982. *Will and Political Legitimacy: A Critical Exposition of Social Contract Theory in Hobbes, Locke, Rousseau, Kant, and Hegel*. Cambridge, Ma: Harvard University Press.

Robinson, Joan. 1962. *Economic Philosophy*. Chicago: Aldine.

Rosen, Stanley. 1987. *Hermeneutics as Politics*. New York: Oxford University Press.

Rousseau, Jean-Jacques. 1964. *The First and Second Discourses*. Translated by Roger D. Masters and Judith R. Masters. New York: St. Martin's Press.

———. 1978. *On the Social Contract* with *Geneva Manuscript* and *Political Economy*. Edited by Roger D. Masters. Translated by Judith R. Masters. New York: St. Martin's Press.

———. 1979. *Emile or On Education*. Introduction, Translation, and Notes by Allan Bloom. New York: Basic Books.

Sandoz, Ellis. 1972. "The Civil Theology of Liberal Democracy: Locke and His Predecessors." *The Journal of Politics*. 34: 2–36.

Schmid, A. Allan. 1987. *Property, Power and Public Choice: An Inquiry into Law and Economics*. 2d. ed. New York: Praeger.

Schmitt, Carl. 1976. *The Concept of the Political*. Translation, Introduction, and Notes by George Schwab. With Comments on Schmitt's Essay by Leo Strauss. New Brunswick, N.J.: Rutgers University Press.

Schumpeter, Joseph A. 1954. *History of Economic Analysis*. Edited by Elizabeth Boody Schumpeter. New York: Oxford University Press.

Shakespeare, William. 1987. *The Complete Oxford Shakespeare*. General Editors Stanley Wells and Gary Taylor. Oxford: Oxford University Press.

Shapiro, Ian. 1991. "Resources, Capacities, and Ownership: The Workmanship Ideal and Distributive Justice." *Political Theory* 19:47–72.

Shulsky, Abram N. 1991. "The 'Infrastructure' of Aristotle's *Politics*: Aristotle on

Economics and Politics." In *Essays on the Foundations of Aristotelian Political Science*. Edited by Carnes Lord and David K. O'Connor. Berkeley: University of California Press.

Simmel, Georg. 1990. *The Philosophy of Money*. 2nd edition. Edited by David Frisby. Translated by Tom Bottomore and David Frisby from a first draft by Kaethe Mengelberg. London: Routledge.

Smith, Adam. 1969. *The Theory of the Moral Sentiments*. Indianapolis: Liberty Classics.

———. 1976. *An Inquiry into the Nature and Causes of the Wealth of Nations*. Chicago: The University of Chicago Press.

Soudek, Josef. 1952. "Aristotle's Theory of Exchange: An Inquiry into the Origin of Economic Analysis." *Proceedings of the American Philosophical Society*, Vol. 96, No.1.

Spiegel, Henry William. 1983. *The Growth of Economic Thought*. Rev. ed. Durham: Duke University Press.

Spinoza, Benedict de. 1951. *A Theologico-Political Treatise* and *A Political Treatise*. Translated with an Introduction by R.H.M. Elwes. With a Biblographical Note by Francesco Cordasco. New York: Dover Publications.

———. 1967. *Opera/Werke*. Edited by Konrad Blumenstock. Vol.2. Darmstadt: Wissenschaftliche Buchgesellschaft.

———. 1982. *The Ethics* and *Selected Letters*. Translated by Samuel Shirley. Edited, with Introduction, by Seymour Feldman. Indianapolis: Hackett.

Stark, W. 1956. "The Contained Economy: An Interpretation of Medieval Economic Thought." London:Blackfriars. Reprinted in *Pre-Capitalist Thought: Three Modern Interpretations*. 1972. New York: Arno Press.

Steuart, James. 1966. *An Inquiry into the Principles of Political Œconomy*. Edited and with an Introduction by Andrew S. Skinner. 2 vols. Chicago: The University of Chicago Press.

Stigler, George. 1958. "David Ricardo and the 93% Labor Theory of Value." *American Economic Review* 326–42.

Stone, Deborah. 1988. *Policy Paradox and Political Reason*. Glenview, Il: Scott, Foresman.

Strauss, Leo. 1952. *Persecution and the Art of Writing*. Chicago: The University of Chicago Press.

———. 1953. *Natural Right and History*. Chicago: The University of Chicago Press.

———. 1959. *What is Political Philosophy?: And Other Studies*. Chicago: The University of Chicago Press.

———. 1970. *Xenophon's Socratic Discourse: An Interpretation of the Oeconomicus.* With a new, literal translation of the *Oeconomicus* by Carnes Lord. Ithaca: Cornell University Press.

———. 1970b. "A Giving of Accounts: Jacob Klein and Leo Strauss," *The College*, 22:1–5.

———. 1983. *Studies in Platonic Political Philosophy.* With an Introduction by Thomas L. Pangle. Chicago: The University of Chicago Press.

———. 1989. *Liberalism Ancient and Modern.* Ithaca: Cornell University Press.

———. 1991. *On Tyranny: Revised and Expanded Edition, Including the Strauss-Kojeve Correspondence.* Eds. Victor Gourevitch and Michael S. Roth. New York: The Free Press.

———. 1993. *Faith and Political Philosophy: The Correspondence Between Leo Strauss and Eric Voegelin, 1934–1964.* Translated and Edited by Peter Emberly and Barry Cooper. University Park, Pa: The Pennsylvania State University Press.

Tarcov, Nathan. 1983. "A 'Non-Lockean' Locke and the Character of Liberalism." In *Liberalism Reconsidered.* Eds. Douglas MacLean and Claudia Mills. Totowa: Rowman and Allanheld.

———. 1984. *Locke's Education for Liberty.* Chicago: The University of Chicago Press.

Thurow, Lester C. 1984. *Dangerous Currents: The State of Economics.* New York: Vintage Books.

Tully, James. 1980. *A Discourse on Property: John Locke and his adversaries.* Cambridge: Cambridge University Press.

Vattimo, Gianni. 1988. *The End of Modernity: Nihilism and Hermeneutics in Postmodern Culture.* Translated and with an Introduction by Jon R. Snyder. Baltimore: The Johns Hopkins University Press.

Vaughn, Karen Iverson. 1978. "John Locke and the Labor Theory of Value." *Journal of Libertarian Studies* 2:311–326.

———. 1980. *John Locke: Economist and Social Scientist.* Chicago: The University of Chicago Press.

———. 1992. "The Economic Background to Locke's *Two Treatises of Government.*" In *John Locke's* Two Treatises of Government*: New Interpretations.* Edward J. Harpham. ed. Lawrence, Ks.: University of Kansas Press.

Vega, Garcilaso de la, El Inca. 1966. *Royal Commentaries of the Incas And General History of Peru.* Part One. Translated with an Introduction by Harold V. Livermore. Foreward by Arnold J. Toynbee. Austen: University of Texas Press.

Vickers, Douglas. 1959. *Studies in the Theory of Money 1690–1776.* Philadelphia:

Chilton.

Viner, Jacob. 1965. *Studies in the Theory of International Trade*. New York: Augustus M. Kelly.

Wainwright, Arthur W. 1987. Introduction to John Locke, *A Paraphrase and Notes on the Epistles of St. Paul to the Galatians, 1 and 2 Corinthians, Romans, Ephesians*. 2 vols. Editedby Arthur W. Wainwright. Oxford: The Clarendon Press.

Weber, Max. 1958. *The Protestant Ethic and the Spirit of Capitalism*. Translated by Talcott Parsons. New York: Charles Scribner's Sons.

Weinberger, Jerry. 1988. "Liberal Democracy and the Problem of Technology." In *Democratic Theory and Technological Society*. Edited by Richard B. Day, Ronald Beiner, and Joseph Masciulli. Armonk, NY: M.E. Sharpe.

Winfrey, John C. 1981. "Charity versus Justice in Locke's Theory of Property." *Journal of the History of Ideas* 42:423–38.

Wood, Neal. 1983. *The Politics of Locke's Philosophy: A Social Study of "An Essay Concerning Human Understanding*. Berkeley: University of California Press.

———. 1984. *John Locke and Agrarian Capitalism*. Berkeley: University of California Press.

Xenophon. 1970. *Œconomicus*. In *Xenophon's Socratic Discourse: An interpretation of the Œconomicus*. By Leo Strauss with a new, literal translation of the *Œconomicus* by Carnes Lord. Ithaca: Cornell University Press.

———. 1994. *Memorabilia*. Translated and Annotated by Amy L. Bonnette. With an Introduction by Christopher Bruell. Ithaca: Cornell University Press.

Yolton, John. W. ed. 1969. *John Locke: Problems and Perspectives*. Cambridge: The University Press.

———. 1970. *Locke and the Compass of Human Understanding: A Selective Commentary on the 'Essay'*. Cambridge: The University Press.

Zuckert, Michael. 1974. "Fools and Knaves: Reflections on Locke's Theory of Philosophical Discourse." *The Review of Politics* 36: 544–564.

———. 1975. "The Recent Literature on Locke's Political Philosophy." *The Political Science Reviewer*. 5: 271–304.

———. 1978. "Of Wary Physicians and Weary Readers: The Debates on Locke's Way of Writing." *Independent Journal of Philosophy*. 2:55–66.

———. 1986. "Locke and the Problem of Civil Religion." In *The Moral Foundations of the American Republic, 3rd Ed.* Edited by Robert Horwitz. Charlottesville: University Press of Virginia.

———. 1991. "Thomas Jefferson on Nature and Natural Rights." In *The Framers and Fundamental Rights.* Edited by Robert A. Licht. Washington: The AEI Press.

———. 1994. *Natural Rights and the New Republicanism.* Princeton: Princeton University Press.

MICHIGAN STATE UNIV. LIBRARIES
31293015814456