

Does the free market corrode moral character?



Michael Novak

No!
And, well, yes.

At America's birth, most societies were organized on the foundation of either a landholding aristocracy or a strong military establishment. The American founders rejected these models and argued

strenuously that a new society, built upon free commerce, would both engender a higher set of virtues and prove safer for, and more committed to, the rule of law. Such a society would be dedicated not to the pursuit of power but to the creation of plenty. As Alexander Hamilton noted in *Federalist* #12: "The prosperity of commerce is now perceived and acknowledged by all enlightened statesmen to be the most useful as well as the most productive source of national wealth, and has accordingly become a primary object of their political cares." Commerce would distract men from previous sources of division and faction. Their passions would turn from political causes to market activity, and the spirit of cooperation necessary for free markets would gradually attach their loyalties to the larger republic.

A commercial society also would be far, far better for the poor, and it would have a beneficent effect on public and personal morality. Through their careful study of history, the founders had learned that a society rooted in military power tended to become touchy and erratic — too quick to fight wars of injured pride — at great and repetitive expense to the poor. Generation after generation had seen scant progress out of poverty, the Scottish philosopher David Hume averred. Wars of honor and revenge and quarrels among emperors, monarchs, and barons repeatedly erased any small steps of progress made by the poor.

As for landed aristocracies, their courts were too given to diversions, entertainments, seductions, and decadence. Even though many chivalrous

barons and counts were good soldiers and raised their own armies, their lives were idle on the whole. They lived easily off the fat of their own spreading properties and the labor of peasants. They trained armies in order to use up their own agricultural surpluses, which primitive roads and the absence of the rule of law (outside major cities) prevented from becoming a source of productive commerce.

Organizing a new society on the basis of aristocracy or the military would not be safe for a republic, the American founders concluded. A republic would need independent, self-made, inventive, creative men, unafraid to get their hands dirty, proud of being hard workers, much taken with innovation, and determined to find better (often less onerous) ways of doing things. Independence and innovation, leading to a constantly improving common good, would be the fruits of a commercial society, at least for a free republic such as the infant United States.

Furthermore, the founders thought, a society built upon commerce would have to establish personal accountability before the law. Without a law-abiding society, relying on courts to enforce contracts, how could men and women engaged in commerce take large risks before they had even received full payment for their efforts? Ships sent from New England to bring back tea from Asia had to be paid before they could return and sell their cargo. Pirates would need to be fought, not only by written law but by law enforced at gunpoint upon the high seas (thus Jefferson's campaigns against the Barbary pirates). No wonder the motto of Amsterdam, then one of the great commercial capitals of the world and an object of the founders' admiration, was *Commercium et Pax*: Commerce fosters peace. Commerce is what neighbors exchange with each other peacefully, rather than simply seize in warfare.

Our forebears believed that a commercial society would instruct all its members in hard work, regularity, and innovation. It would also teach

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Americans to be bold in adventure (like the New England sea captains), modest in their expectations of gain, and thrifty in their repeated reinvestment of gains for the sake of future compounding. These activities would be an alternative to the conspicuous consumption of the old landed aristocracy. A commercial society encouraged an honest, responsible, self-denying, and future-oriented citizenry. Such a citizenry is especially needed to make free republics law-abiding and prosperous.

Because the roots of commercial society — habits of innovation and invention, the blessedness of hard work, a focus on the future — spring from imperatives in the Jewish and Christian religions, it was not too long a stretch for America's founders to recognize the crucial role of religion and morality in curbing commercial instincts, keeping them within bounds and steering them from self-destruction. "There are many things that the law does not prevent citizens from doing that the religion of Americans prevents them from doing," Tocqueville noted approvingly.

On the other hand, the successes of a commercial republic also produce, over time, various enervating influences that corrode the moral strength of societies. Younger generations take for granted the prosperity won by the sacrifices of their forebears. Some want escape from the disciplines of a commercial republic, and some have contempt for the restrained manners and mores of their ancestors. Generations inured to hard work and self-discipline can give way to new generations that hear other music blowing in the wind and long for rebellion, preferring to luxuriate in idleness rather than to engage in menial work.

A generation committed to saving for tomorrow is replaced by a generation heedlessly living just for today.

In such ways, the very successes of a commercial republic tend to undermine the moral stamina of the young. The sociologist Daniel Bell dubbed these cyclical turnings of the wheel "the cultural contradictions of capitalism." In other words: strong morals in, but over time, loose morals out.

We can see all around us the opportunity for accelerating moral decadence. But such moral decadence is only a possible outcome, not a necessary one. Well warned against it, we can make special efforts to overcome its attractions. In this way, the greatest task of a commercial society becomes moral and cultural deepening, a return to spiritual roots, what our forebears called a "Great Awakening."

By the reckoning of the Nobel Prize-winning economist Robert Fogel, the United States is now in the slow upsurge of a Fourth Great Awakening. It is characterized by a return to basics, an emphasis on family, and an invitation to the young to develop the self-nourishing habits of will and mind that are the best guarantors of strong character. Such young people are the best hope of the future vitality of our republican liberties and commercial creativity.

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