

EPISODE 21

SLIPPERY SLOPES

Hi there. Welcome to the end of the world. My name is Michael Folz. And this is Episode number 21 of my podcast Dial It Back Or Die. Now two episodes ago I pointed out that the Reformation, which we have always been taught was responsible for opening up the minds of the West, in actuality was responsible for not only bizarrely incompetent theology and sadistic, power hungry religious leaders, but also almost endless warfare. Then last episode I pointed out that calm, clearheaded rationality has produced Buddhism, Stoicism, and, in the 17th Century, the culture altering philosophy of Rene Descartes, who more than anyone else was the person who lay the foundation for that Scientific Revolution. Which in turn would lay the foundation for all of the actual technological progress which has produced the modern world.

Now note that both Descartes' rationalism and the Scientific Revolution were in no way a function of the Reformation. After all, Descartes remained a devout Catholic his entire life. As had been Roger Bacon, William of Occam, Copernicus and Galileo. And there is every reason to think that, absent the Reformation and the resultant supposed inerrancy of the Bible, the Catholic Church would have continued to do its best to help further scientific knowledge. And, from Aquinas to the Jesuits, there is much in the history of the Church to show that in many ways, it, too, had always valued calm, clearheaded rationality.

Although unfortunately throughout history all too many of us humans have instead always engaged our minds in *rationalization*. In coming up with reasons to justify what we wanted to believe anyway. And it is sadly one of the most difficult problems of the human condition to make that distinction between the clarity of 'rational' and the obfuscation of 'rationalize'.

Because of course the Reformation did happen. Fundamentalism did drive a wedge between religion and reason.

And now in this episode we need to go over some of the other unintended consequences of what else happened when people were supposedly allowed to 'think for themselves'.

Although before that let me make two points concerning the state of affairs right after the

Reformation first took hold. First, Luther, Calvin, and every other new religious leader went out of their way to stress how, no matter their interpretation of Scripture, in no way was traditional Christian morality going to be affected. If anything, the Protestants protested that they were going to be much, much more moral than that Whore of Babylon, the Church of Rome, had ever been.

The second point is that, no matter how corrupt many of the leaders of this revolution ended up being, a huge portion of their followers, no matter which side or sect, were utterly sincere. Puritans were really trying to be pure. Catholics believed with all their hearts and souls that the Mass and the veneration of Mary were central to salvation. Many, many people on both sides of every issue were more than willing and able to die for their beliefs.

And it turned out that they had plenty of opportunity to do so. For instance, even before the Thirty Years War, the French Wars of Religion between 1562 and 1598 killed over three million people, out of a total population of around twenty million. The famous Spanish Armada in 1588 was basically an attempt by the fanatic Catholic Spanish king Philip II to reimpose Catholicism on England.

But that wasn't his only purpose for attacking England. Because at the time he, and Spain, had a much bigger problem with the Dutch.

You see, back in 1570 Spain had happened to own the entire lowland region just north of France, with Antwerp being by far the area's most important city. But by then not only had the Reformation created legions of fanatical Calvinists who intensely hated Catholic Spain, but Spain's military repression in the low countries had alienated everyone else. So the seven northernmost provinces rebelled, and by 1585 they had achieved de facto independence as the new country of the Netherlands.

This, combined with the catastrophic collapse of Antwerp after a military siege in 1585, left the door open for Amsterdam, hitherto a small, regional town, to become the financial center of Europe. Meanwhile, the loose political union of those seven provinces, along with the existence of many different religious sects and an already dense and urban population, meant that of necessity this new country had to preach and also practice tolerance.

So the rise of both Amsterdam and of Holland were meteoric. In fact, the industrious Dutch started industrializing even before the British did. And between the years 1600 and 1670 the Dutch became the world's economic superpower, with by far the world's largest fleet of ships. They were also enthusiastic imperialists and slave traders. Not that they had any military power. Which meant that they tried to make a virtue of this by inventing and then promoting the idea of free trade. Which, of

course, is still being promoted today by the current world's economic elite.

But there's another 'modern' innovation which the Reformation era Dutch are responsible for that I would like to direct your attention to right now.

It all started out innocently enough at a board meeting of the Dutch East India Company. Joint stock companies had been around for a long time. For instance, if a company wanted to raise capital of, say, a million guilders, it would sell, say, ten thousand shares at a hundred guilders each. If you happened to own one of those shares and you wanted to get rid of it, the company would then give you back whatever money that you had put in.

The problem for any company, however, was that it therefore could never know exactly how much capital it would have next week or next year. So when the Dutch East India company was created in 1602 someone had the bright idea to set up a secondary market where people who wanted out could sell their shares to other people who might want in. This way the company itself would always have the same amount of money and be free to focus on running itself.

It certainly seemed like a good, smart idea at the time.

But here's what happened.

First, let's be clear: When somebody dabbles in the stock market these days they think that they are 'investing'. They are not. The only person who actually invests in a company is the one who buys the initial stock offering. Once this stock is sold to someone else, that person, no matter how much diligent research they have done, and no matter that dividends might be paid, is, let's face it, almost always *speculating*, ie guessing, that the price will rise. And until fairly recently 'speculation' is indeed the word which was used for the buying and selling of stocks.

It's not like no one had ever speculated on commodities or other items before. But religions had almost uniformly seen such trying-to-get-something-for-nothing behavior as inherently immoral. And the stern Calvinists, easily the largest religious grouping in Amsterdam, saw it as downright evil. (Even rather recently the Dutch Reformed Church was one of the strictest, hellfire and brimstone churches in the world.)

So it is ironic, to say the least, that after the Catholic Church had spent a thousand years trying to keep greed in check, in less than a century the Reformation would bring about its enshrinement.

Because within a few short years this magical idea that somehow you could get rich without ever having had to work for it had captured the imagination of virtually everyone who had the slightest

amount of extra money to speculate with. Seemingly modern Wall Street practices such as futures contracts, put and call options, and shorting the market almost immediately came about within ten years of the foundation of this first stock market..

And then there was the practice (still causing crashes today) of buying on margin, where you only had to put up a small portion of a stock's price in order to secure it. This was the easiest free money of all, because if, say, you only required 10% to secure said stock, and then the price went up, you made ten times the profit.

Of course, if the price went down you then lost ten times as much. But, hey, that couldn't happen, could it? There would always be another buyer, wouldn't there?

The first giant bubble that this need for greed and this pervasive mania in speculation created happened in 1637. Although in this particular instance it wasn't stocks that were the culprits. Instead, of all things, it was tulips. Or, more precisely, tulip bulbs.

You may well have already heard of this one. But if not: Tulips were native to Turkey, and had just arrived in Western Europe around the year 1600. They propagate very slowly, and they can also produce rare colorations, which then make the bulbs these colorations produce relatively rare. It turned out that tulips grew very well in Holland, and tulip bulbs soon became one of its most valuable exports. Then in the fall of 1636, for no apparent reason, nearly everyone in the country, but mostly people who couldn't really afford to, started speculating in those rare colorations.

No bulbs ever actually changed hands, though a contract for a single lot of them might be bought and sold twenty times in a day. It is estimated that sometimes one bulb would sell for today's equivalent of \$25,000. Things got more and more frantic up until the middle of February, 1637, when prices suddenly and totally collapsed. Needless to say, many people got wiped out as a result. And 'Tulip mania' has been invoked to describe financial bubbles ever since.

Some modern economists have questioned whether this ever really happened. But since they generally come from a school of economics which dogmatically believes that all financial markets are always totally rational, they have their own particular axe to grind. And such economists really have nothing to say about the South Sea Bubble and the Mississippi Company, which both burst 83 years later, in 1720.

The South Sea Bubble took place in England. The company involved was an outright fraud, with its prospectus vaguely promising 'commercial opportunities' with South America, which at the time happened in fact to be wholly owned and operated by mercantilist monopolists Spain and

Portugal, countries which had absolutely no intention of letting any other businesses into their captive markets. Nonetheless, almost everyone in England, this time even those with money who should have known better, fell for it. And soon speculation sent shares of the stock rising to stratospheric levels. When it crashed entire fortunes were lost; even 75 year old Isaac Newton lost 20,000 pounds sterling, a huge sum. And the British economy suffered for years.

This wasn't nearly as bad, though, as what happened in France.

It started when John Law, a Scottish gambler, ladies man, and proto-economist, on the lam for murder, showed up in France just when that country's banking system was running out of silver and gold. Mr. Law had plenty of new ideas, including using paper money instead of precious metals, and doing what is now called quantitative easing in order to pump up the economy.

He also took a failing firm, which he renamed the Mississippi Company, and convinced everyone that this company was going to create untold wealth out of the wilderness in basically what is today the state of Arkansas. Once again speculative fever took over, and it wasn't long before almost all of France's wealth was tied up in incredibly overvalued shares. When this bubble burst, not only did the shares become worthless, but the paper money that everyone then tried to turn in at the banks also turned out to be worthless. As a result France's economy suffered for the rest of the 18th Century, and the Mississippi Bubble is cited as one of the reasons for the French Revolution 69 years later.

For his part John Law escaped to Venice, where he lived comfortably off of his winnings at gambling. And today many of his ideas are now standard beliefs in economic theory.

So that was one result of quote/unquote 'opening people's minds'. Here is another. Although this is also the point where I issue my first trigger warning. My first spoiler alert.

Because remember that the goal of this podcast is to explain to you how certain really bad ideas got baked into, as it were, the mental operating system of the Western mind.

And when I first started the project the idea was to first present to you the unvarnished history of the Age of Enlightenment, to then present all the current scientific knowledge about the Universe and about the reality of human behavior, and to then let you the listener come to the obvious conclusions about the obvious contradictions.

Now, however, I realize that there is so much information being transmitted that the wiser course is probably to notify you when and where these bad ideas first originated. Also how and why. You know, when the trigger was first pulled and when the culture first started to spoil.

And then later, when we go over the science, you'll see exactly how and why the ideas turned out to be so wrong.

Because also remember that none of these bad ideas which got baked into the system in any way were remotely connected to the science, or even the common sense, of the times. In other words, there was no empirical data or objective observation behind any of them. No, they were all the assorted mental noodlings of various individual men. Most of whom were very strange individual men at that.

And one of the strangest of these men was Thomas Hobbes.

Now nobody has ever accused Thomas Hobbes of being a happy man. When he was 63 years old, in 1651, his best known book, 'Leviathan', was first published. Though born in humble circumstances, he had spent most of his life in relative leisure, mostly being the tutor of various rich young men. He liked science, but didn't like the idea of having to actually prove anything experimentally. He fancied himself a mathematician, and believed that he had figured out how to square the circle, a famous mathematical impossibility. At the age of 40 he decided to become a philosopher. He is not known to have had any relationship with any female his entire life. History doesn't even know the name of his mother, who died when he was an infant.

First and foremost he was an atheist. Well, he never admitted to such, since at the time admitting to atheism was pretty close to being a death sentence. What he did loudly affirm was that there was no such thing as soul or spirit or anything else incorporeal. The Universe to him was just dumb matter bouncing about.

He clearly didn't believe in Adam and Eve or, for that matter, in any other creation myth. What is interesting about this, though, is that, whereas in 1859 Charles Darwin could replace creation myths with a theory of evolution, in 1650 no one—and this most definitely included Thomas Hobbes—had the slightest idea of how old the world could be or of how we (or anything else) could have come about. This is why the foundational assumptions underlying the book 'Leviathan' are so critical to understanding the thinking that went on for the next hundred years or so.

Because Thomas Hobbes was an extremely fearful person who also thought that the one basic and defining human trait was selfishness. This tied in with his belief that the one overwhelming human desire which superseded all others was that of staying alive. And in his imagination the way that humanity began was with innumerable individual men in the dim mists of time endlessly fighting each other in a life which ended up being nasty, brutish, and short. His conclusion was that the only avenue out of this miserable state of affairs was for these men to figuratively sit down and write a sort of

legalistic *social contract*, so that their individual desires would then be subservient to a set of laws.

You'll recall that Martin Luther had a pretty dim appreciation of human nature. But in his system there was at least a chance that you would be showered with the grace of the Lord, and then be blessed in this life and eternally blessed in the next. On Hobbes' planet Earth, however, the main benefit of agreeing to the social contract was that now all those rapacious, greedy individuals could just continue to run around trying to fulfill all those desires.

So long as they didn't break any of the laws.

Of the supreme sovereign.

Because in Hobbes' understanding, of all the forms of government that these proto-humans could have devised—monarchy, aristocracy, republic, democracy—by far the best idea was that of an absolute king.

How convenient.

Although to explain that remark I have to delve into history a little bit more. Because in 1648 the Thirty Years War had finally come to an end with the Peace of Westphalia. In it everyone in every realm in Europe was now free to be a Lutheran, Catholic, or Calvinist, irrespective of their leader's wishes. More important, the principle was established that from then on no sovereign state could interfere in the internal affairs of any other sovereign state. Historians consider this the start of both the modern nation-state and of our international political system.

Now England had kept itself out of that war. But it wasn't nearly so fortunate in the 1640's. The decade started with Catholic sympathizer King Charles I having to call together a parliament in order to approve of some taxes. Said parliament then rebelled, which then brought on two full scale civil wars, which then resulted in Charles being beheaded in 1649, the monarchy becoming abolished, and a republic being declared under the auspices of the leader of the rebel army, Oliver Cromwell.

Who essentially became a dictator. So that when he died in 1658 the so-called 'republic' more or less died with him. At this point the English people more or less collectively said, 'Oops, sorry', and invited Charles II, son of the murdered Charles I, back on the throne.

The Thirty Years War had ostensibly been about religion, but a whole slew of political animosities ran through it. The English times of troubles had ostensibly been political, but religious animosities ran through them. And, as with the Reformation 120 years earlier, revolution of all sorts was in the air. Universal male suffrage almost came to pass (it didn't finally happen in England until 1831). Groups like the Levelers and the Diggers vaguely resembled the hippies of the 1960s. New

radical religions like the Quakers coalesced around this time, and along with the Puritans, the Baptists, the underground Catholics, and others, they produced quite a bit of turmoil for that Church of England which had been established by Henry VIII. So in 1662, in order to calm things down, these other sects were finally allowed to exist out in the open. Sort of. Members were now able to practice their religion. But they were still barred from participation in government, university, or higher society in general. And they were called Dissenters. Or Nonconformists.

Which brings us back to Thomas Hobbes, who had spent his entire lifetime working for wealthy royalists, and whose deep thoughts then coincidentally concluded that absolute monarchy was the best state of affairs possible. And you probably wouldn't be surprised to find out that under Charles II, who, unlike his father Charles I, had meekly accepted the existence and power of parliament, being called a 'Hobbist' became one of the worst insults imaginable.

But although the Enlightenment, which was to follow a century later, was to have nothing but total disdain for kings or sovereigns of any kind, nonetheless three of Hobbes' ideas would be central to it. The first was atheism. After all, given the incredibly wide diversity of human personality and thought, it would be silly not to think that there had not been many secret atheists during the previous seven hundred years or so. But Hobbes was the first major writer in the West to broach this subject. And once he had opened that particular door, many others would follow.

The second idea was that the primary human trait was, and should also be, selfishness. Now both in the classical societies of Greece and Rome, and in Christian theology, it was recognized that of course people often acted selfishly. But Selflessness, either in the practice of Civic Virtue in Rome or the understanding of the Seven Deadly Sins of Self-Worship in Christianity, was what had always been preached prior to this. To Hobbes, however, all supposed Christian virtue was so much mishmash. And all that was left was therefore unadulterated selfishness.

Finally, and here is the major spoiler alert: The third idea was that of the social contract. Now in an earlier episode I pointed out that when you look at the understanding of the classical world—East or West—the *group* was considered to be humanity's defining characteristic, and the individual was always seen to be subservient to the extended family, the tribe, the city-state, or the nation. Now, however, we have the idea that the only reason that we have these larger manifestations of society was only because individuals who had previously in the state of nature had been completely independent and free had somehow voted these larger societies into existence. And that therefore *individual rights* were inherent in the natural state of man.

And it is difficult to overstate just how important this so-called social contract theory was to the theorizing of the next century or so. Even Rousseau, who we shall see was in many ways the antithesis of most Enlightenment thought, wrote a book called 'The Social Contract'. Because even though Hobbes in his pessimism concluded that individuals should always be subservient to the dictatorship of the supreme sovereign, others would take this idea and use it as the basis for the rise of the theory of Liberalism itself.

And perhaps the person most responsible for this was the philosopher John Locke, who lived from 1632 to 1704.

Now, like Hobbes, Locke never married and never had any known intimate relationships with females his entire adult life. But unlike Hobbes he was a fully believing Christian. So much so that, even though he is known as a great proponent of religious tolerance, in his view governments should have absolutely no tolerance for atheism. Further, he had a much more optimistic nature than did Hobbes. And he believed, along with Descartes, that humans were primarily rational, and that rationality could and would trump selfishness.

He therefore took the idea of the social contract, and then concluded from it that since individual freedom had started out as the natural state of man, that that government was best which was able to, within the parameters necessary to maintain order, also maximize each person's individual freedom. And it also then followed that the authority of a government should be dependent upon the consent of the governed.

And this basic concept would be central to the thoughts of the American revolutionaries a hundred years later. Also, as stated, it would be one of the critical foundations to the entire theory of liberalism.

Remember, though, that all of these fine thoughts are true only if the social contract theory is correct. That is to say, only if in our original state of nature we were all walking around as sovereign individuals. If that doesn't turn out to be the case, then the entire theory of liberalism also falls apart.

As I went over in Episode 3: Garbage in, garbage out.

So that's one aspect of the thoughts of John Locke. Another, and one that really plants him in the 17th Century, is his fixation on private property rights as a function of natural law.

And here is another one, which would ultimately have perhaps the greatest effect on the mangling of the Western mind.

You see, the philosophical subtopic of epistemology involves trying to figure out how we know what we know. Thinkers have been pondering this abstruse subject since the beginning of philosophy, and one can broadly classify their ideas into two approaches. According to Descartes (and Plato before him) we apprehend rationality and/or ideas because it, and they, exist independently of us. Under this system of thought once we have found the truth it really is the Truth.

The other way to look at it, which is what John Locke did, is called empiricism. What this means is that we are born with brains that are empty, blank slates (hence Locke's famous term *tabula rasa*), and that it is our accumulation of sensory data that the brain arranges and re-arranges so as to produce seeming knowledge. But since what we seemingly 'know' is only a function of the data that we have accumulated, my 'truth' may end up being different from yours. And that therefore, in the end, almost by definition, we can never know what the true Truth really is.

Now in a certain fashion empiricism is somewhat like the scientific method. After all, science is, at least hypothetically, always subject to improvement. But as a philosophical position empiricism shades into nominalism, which has been around since the ancient Greeks, and which is kind of a tricky concept. But basically it says that, as opposed to Plato's concept of universal and abstract objects and ideals, the Universe is just a bunch of disparate stuff that we only classify because we like to classify things.

Or to put all of this another way: Someone like Descartes believed that our essence precedes our existence, whereas someone like Locke believed that existence precedes our perceived essence. Although it's also true that Locke himself was nothing close to what we currently regard as an 'existentialist'. As I said, he was a strong believer in God, Jesus, even miracles. He believed that the mind was an active participant in the pursuit of knowledge, that the Universe had purpose, and that we each had free will. To him the 'blank slate' was nothing more or less than an epistemological argument.

And he would have probably been shocked to see how this idea would be used in the upcoming century. After all, all of this philosophizing is fine and dandy if you are someone in an ivory tower kicking ideas around.

But here, briefly, are a few of the ideas which people would come up with over the next hundred years.

First, if you believe in the independent existence of Ideals, then Good is an absolute. But if you are an empiricist, if you believe that all knowledge (which includes ethics) only arises from our sensory input, then, simplistically, 'good' is what has given us pleasure and 'evil' is what has given us pain.

Further, our ideas of good and evil, right and wrong, can be changed simply by changing the environment that surrounds us.

Further, given that we each have grown up in a different environment, my conclusions about morality, for instance, may differ from yours. And, since we can never know what is really real, neither one of us can ultimately claim to be correct.

Finally, the soul, or 'I', no longer has an immutable essence. The self is nothing more than the personality which has developed willy nilly from the unique way that each individual brain has processed all that sensory data.

And that is just a small part of the philosophical wrestling which, rightly or wrongly, would derive from Locke's empiricism.

For now, however, it may boggle our modern minds to try to understand how Locke could believe in this theory of knowledge and also believe not only in souls and God but that the entire Bible was literally true. But he did.

And your mind might also have been boggling all along having to deal with all of this history and philosophy. Especially if you haven't thoroughly waded through it all before. In fact, you might very well be thinking: Really? Could it really be true that a few philosophers here and there could change the course of the entire Western world's culture?

Couldn't it just as easily be true that it is the other way around, that the world's culture changed on its own? And that, considering how philosophers have been all over the board ever since philosophy first got started, that there would always be some philosophers somewhere who could be cited in support of whatever the real socio-economic situation was? And/or in support of the current zeitgeist and of whatever the upper classes/intelligentsia/you name it wanted to believe?

Well, to a certain extent, your doubts might actually be justified. Because in terms of pure philosophical reasoning it turns out that Locke wasn't all that deep or amazing. And because in many real life ways the Western world was radically changing in the 17th and 18th Centuries. And it is always difficult in these situations to pin down precisely which was the chicken and which was the egg.

So next time we're going to look at some more of the economic and sociological changes which were taking place, up to and including the first half of the 18th Century, all of which certainly had an impact on the full fledged Age of Enlightenment.

But that is for next time. For this time, once again I thank you so much for so far having listened.