

# Lecture 2

## Scholastic Analysis of Business Practices

Reading: EHFE ch. 3, Bellhouse, Noonan

### Topics

- Emergence of Christian Empires
- Who were the Schoolmen?
- Concepts of justice and law
- The Scholastic Analysis of Usury and Interest
- The Scholastic Analysis of Risk and Gambling
- 'The Merchant of Venice' as a Reflection of the Social Prohibition on Usury



# The Evolution of Religious Beliefs

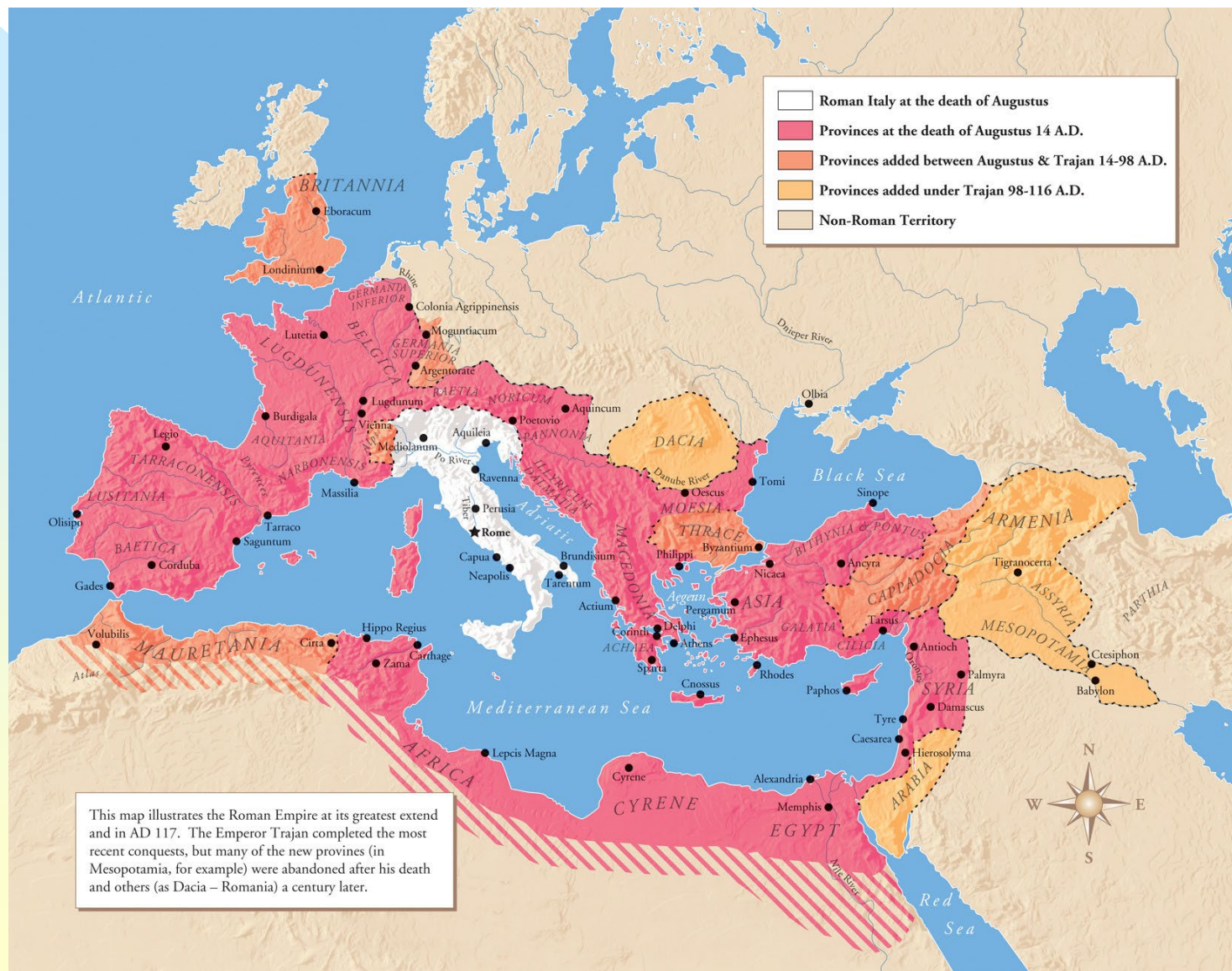
- Ancient religions were polytheistic with gods associated with specific activities (nature gods)
  - Gradual evolution with the emergence of one or two (male/female) most powerful god among many gods – Isis (female), Amun (male) in Egypt; Zeus in Greece
  - First recognized break was with **Zoroastrianism** founded by Zarathustra (referred to as Zoroaster by the Greeks) (628?-551? BCE)
    - Zoroastrianism had elements of both dualism (two gods representing good and evil) and monotheism (one supreme god)
    - Hinduism has dualistic elements with Vishnu and Shiva
  - Zoroaster was a prophet of Mazdaism (the belief in Mazda, the Omniscient One)
    - Zoroastrianism had influence on later religions such as Judaism, Islam and Christianity, e.g., after death the soul passes over an 'accountants bridge' where future fate is decided.



**A quote from Paul Carus, *History of the Devil* (1900, p.50), that reveals a close connection with Christian mythology**

One teaching of Zoroastrianism is that “a great crisis is near at hand, which will lead to the renovation of the world ... Saviours will come, born of the seed of Zoroaster, and in the end the great Saviour who will bring about the resurrection of the dead. He will be the ‘son of a virgin’ and the ‘All-conquering.’ His name shall be ... the Saviour. Then the living shall become immortal ... and the dead shall rise ...”

# Roman Empire reached greatest extent under Emperor Trajan (116 AD)



# Collapse of the Roman Empire

- When did the Roman Empire collapse?
  - The collapse was not sudden, but gradual, with an evolution of the empire into separate political entities ruled by different emperors, starting with Diocletian in 284
    - Constantine I, emperor from 324-337 reorganized the empire into East and West, made Christianity the state religion of the empire and established Constantinople as the capital city of the East
    - The fall relates primarily to the Western empire, as the strength of Rome in the West disintegrated, there was increased reliance on Gothic tribes to maintain control
      - Sacking of Rome in 408 and 410 was led by Alaric, first king of the Visigoths – had participated in the Roman army.
  - Eastern Roman Empire (Byzantine empire) survived until the taking of Constantinople by the Ottoman Turks in 1453



# Roman Conversion to Christianity

- Persecution of the Christians by the Romans appear with Tacitus (c.56-120 CE) in the *Annals* reference to Nero blaming Christians for the Great Fire of Rome in 64 CE
  - *Annals* together with the *Histories* is a collection of approx. 30 books about 1/3 of which have survived
  - Last major persecution of Christians – property confiscation, requirement to make sacrifices to specific Roman gods -- has been credited to Diocletian in 303 CE
  - Edict of Milan (313) by Constantine ends the persecutions
- Uncertain whether Constantine adopted Christianity from his mother or vice versa
- Edict of Thessalonica (380) marks the adoption of Christianity as the state religion





# The Original Creed of Nicaea (Council of Nicaea 325)

**We believe in one God, the Father almighty, maker of all things visible and invisible;**

**And in one Lord, Jesus Christ, the Son of God, begotten from the Father, only-begotten, that is, from the substance of the Father, God from God, light from light, true God from true God, begotten not made, of one substance with the Father, through Whom all things came into being, things in heaven and things on earth,**

**Who because of us men and because of our salvation came down, and became incarnate and became man, and suffered, and rose again on the third day, and ascended to the heavens, and will come to judge the living and dead,**

**And in the Holy Spirit.**

**But as for those who say, There was when He was not, and, Before being born He was not, and that He came into existence out of nothing, or who assert that the Son of God is of a different hypostasis or substance, or created, or is subject to alteration or change - these the Catholic and apostolic Church anathematizes.**



# Nicene Creed (First Council of Constantinople 381) aka “*The Symbol of Faith*”

I believe in one God, the Father Almighty, Maker of Heaven and Earth, and of all things seen and unseen.

And in one Lord Jesus Christ, the only-begotten Son of God, begotten of the Father before all ages; God of God, Light of Light, true God of true God; begotten, not made, being of one substance with the Father; by whom all things were made.

Who, for us all for our salvation, came down from Heaven, and was incarnate by the Holy Spirit of the virgin Mary, and was made man; and was crucified also for us under Pontius Pilate; He suffered and was buried; and the third day He rose again, in accordance with the Scriptures; and ascended into Heaven, and sits at the right hand of the Father; and He shall come again, with glory, to judge the living and the dead; whose kingdom shall have no end.

And I believe in the Holy Spirit, the Lord and Giver of Life; who proceeds from the Father; who with the Father and the Son together is worshipped and glorified; who spoke by the prophets.

And I believe in one holy universal and apostolic Church. I acknowledge one baptism for the remission of sins; and I look for the resurrection of the dead, and the life of the world to come.

Amen.





# Christian Heresies – (Much More in Lecture 6)

- Heresies identified at the Council of Niceae
  - Arianism: Jesus was not co-substantial with the Heavenly Father – in some versions, Jesus was a man that was embodied by the Holy Ghost
  - Docetism: One version of Gnosticism and one of the earliest Christian doctrines, likely dating from the 2<sup>nd</sup> century
    - Maintains that Jesus Christ did not have a natural body during his life on earth but was a ‘phantom’ manifestation of the Holy Spirit
    - Docetism has dualist elements
- Some early Gnostic sects had antinomian features
  - Antinomians do not adhere to the 10 Commandments, holding that obedience to the law is determined by faith and the Gospel
  - Antinomianism was important in the evolution of Protestantism, e.g., Luther’s critique of antinomianism



# Luther on antinomianism

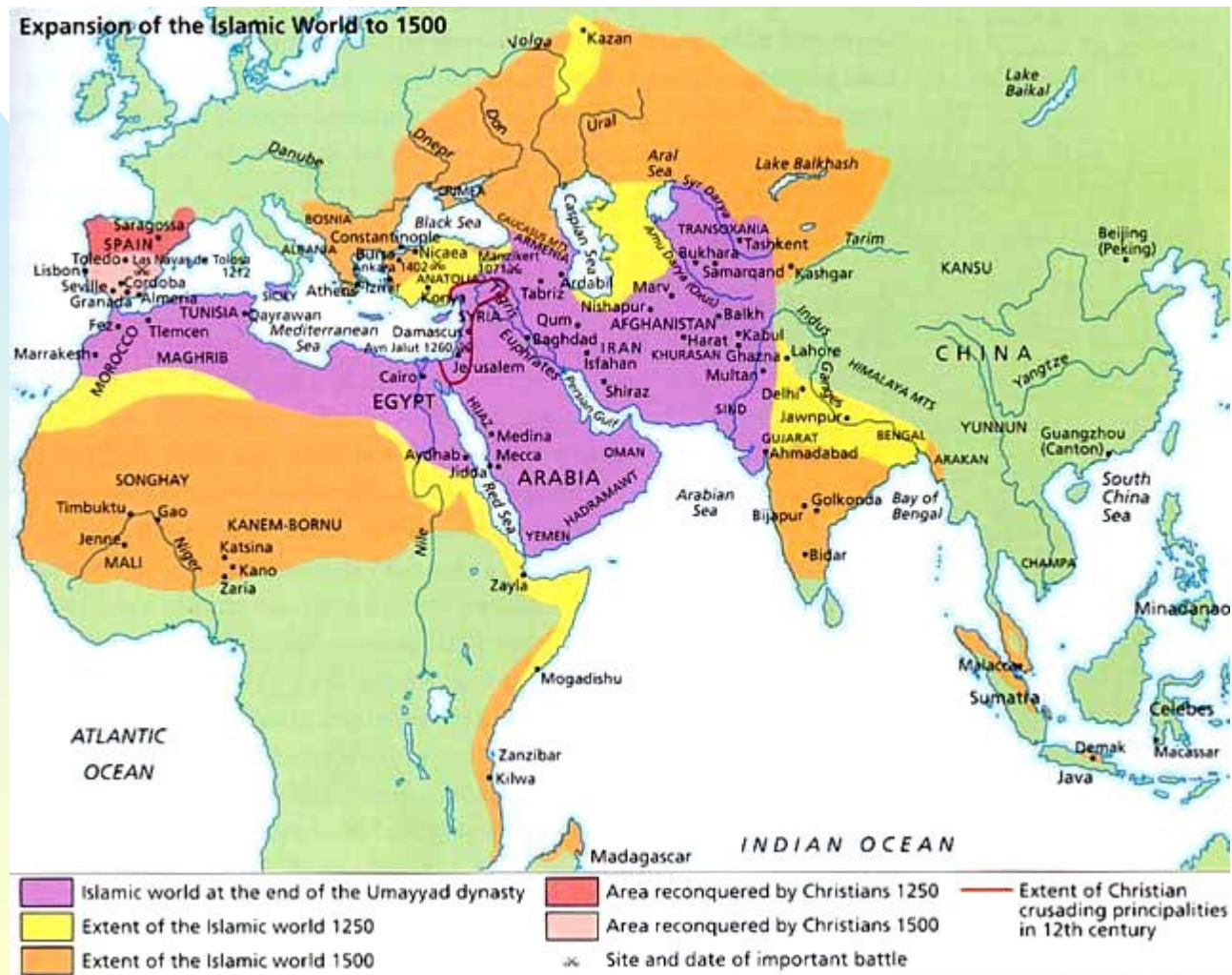
- ▣ 'Listen, you want to be a Christian while you are an adulterer, a fornicator, a swill-belly, full of pride, avarice, usurious practices, envy, revenge, malice, etc., and mean to continue in these sins?' On the contrary, they tell us that this is the proper way to speak: 'Listen, you are an adulterer, fornicator, miser, or addicted to some other sin. Now, if you will only believe, you are saved and need not dread the Law, for Christ has fulfilled all.'
- ▣ Tell me, pray-thee, does not this amount to conceding the premise and denying the conclusion? Verily, it amounts to this, that Christ is taken away and made worthless in the same breath with which He is most highly extolled. It means to say yes and no in the same matter. For a Christ who died for sinners who, after receiving forgiveness, will not quit their sin nor lead a new life, is worthless and does not exist.
- ▣ Excerpt from Luther, *Concerning Councils and Churches* (1539)



## Byzantine Empire during the reign of Justinian (527-65)



# Expansion of the Muslim Empire (Muhammad 570-632)



# The Rise of Islam

- Muhammad was born in Mecca c. 570. A member of the Quraysh tribe
  - Arab world at this time characterized by warring tribes
  - Muhammad was not from a wealthy family and acquired considerable knowledge travelling throughout Arabia and elsewhere representing the business interests of a wealthy widow (eventually marrying)
    - During these travels Muhammad came in contact with Christians and Jews, began preaching Islam in Mecca starting c. 613
    - The death of Muhammad marks the beginning of followers spreading out from Mecca to conquer much of the Byzantine and Persian empires, the old Roman colonies of North Africa and assuming effective control of much of the Mediterranean
- Umayyad (Omayyad) dynasty (661-750)
  - First Muslim dynasty to rule the caliphate; Umayyad's were a merchant Quraysh tribe from Mecca





# Basics of Islam: Monotheism and The Five Pillars

- The *Quran* contains the word of God as revealed to Mohammad, the messenger of God – the *sunnah* are based on interpretations of the life of Mohammad
  - The righteous will be rewarded in the after-life and the un-righteous will be condemned to hell
- The Five Pillars
  - The *Shahadah*, an oath that all Muslims must take and repeat in prayer: “I testify that there is no god but God, Muhammad is the messenger of God”
  - The *Salah*, praying five time per day
  - The *Zakati*, charity tithing to help the poor and needy
  - Fasting during the month of *Ramadan*
  - The pilgrimage (*hajj*) to Mecca at least once in a lifetime
- Islam also has well developed law (shariah) based on the *Quran*, *sunnah*, and juristic interpretations
  - **Islamic law encourages trade, discourages the hoarding of wealth and prohibits the lending of money at interest**





The Al-Haram mosque in Mecca is the largest mosque in the world and the ultimate destination of Muslim pilgrims during the *hajj*. At the center of the mosque is the *Kaaba*, a granite building. It is to the *Kaaba* that Muslims direct the daily prayers. The *Kaaba* has a history stretching back to the late 3<sup>rd</sup> millennium BC



The Sultan Ahmed Mosque (popularly known as the Blue Mosque) was constructed between 1609-1616 in the old city of Istanbul as a symbol to assert Ottoman power





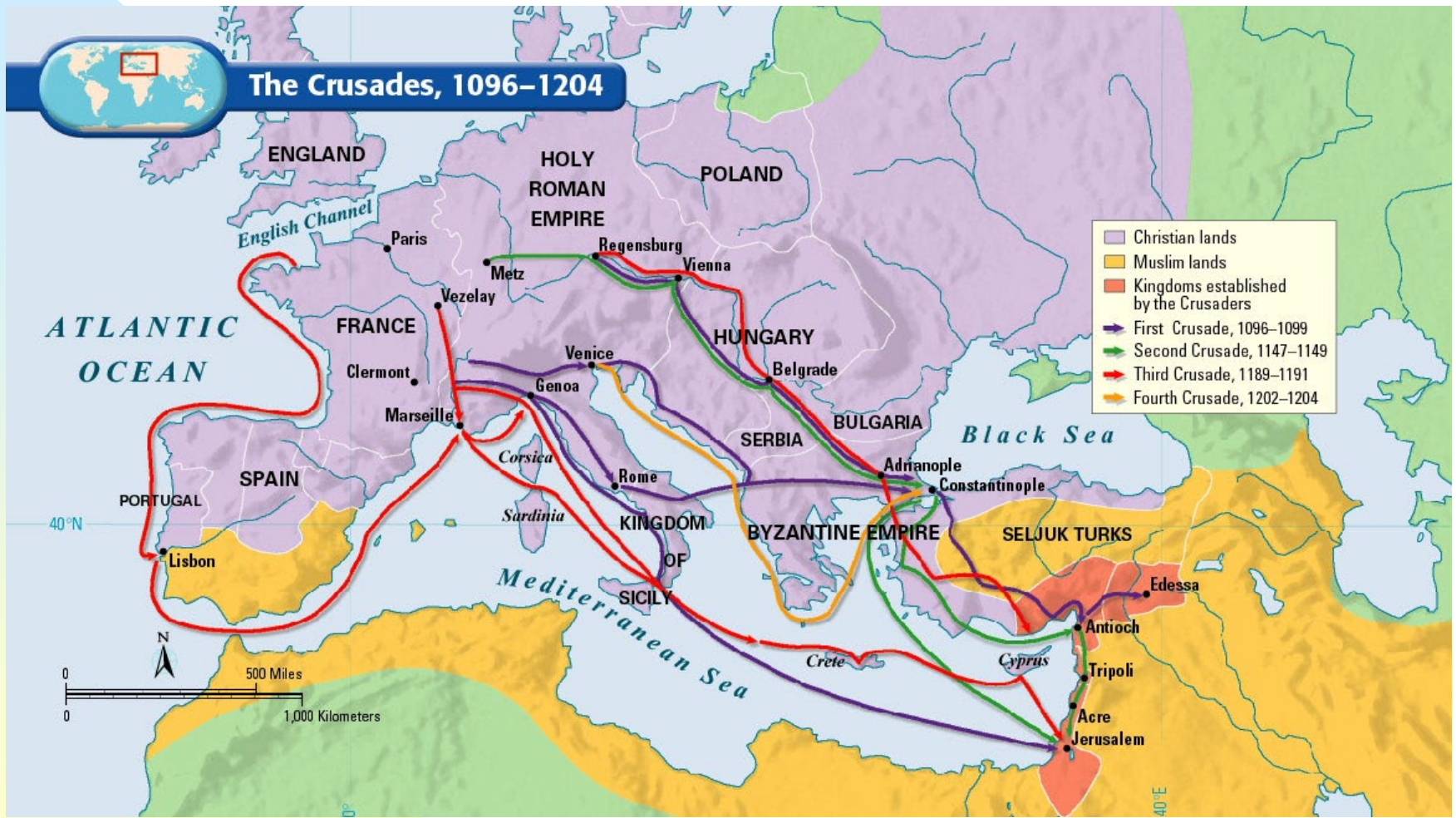
Islamic practice of isolating women was adopted by Hinduism, possibly influenced or imposed during the period of Mughal rule

Seclusion included not only purdah but also the use of high walls, screens and curtains within the household

Profound differences across Islam are based on differing interpretations of the Koran (*Quran*) and, especially the '*ahadith*' of the *sunnah* – traditions that are derived from the words, actions and approved practices from the life of Mohammad and, for some, the lives of his companions



The Koran contains few specific laws, much of Muslim 'tradition' originates with the *sunnah* composed of *ahadith* (plural of *hadith*) over which different sects of Islam differ; the imposition of purdah is one such 'tradition' → 1829 the practice of *sati* (immolation of wife with body of husband) outlawed by the British



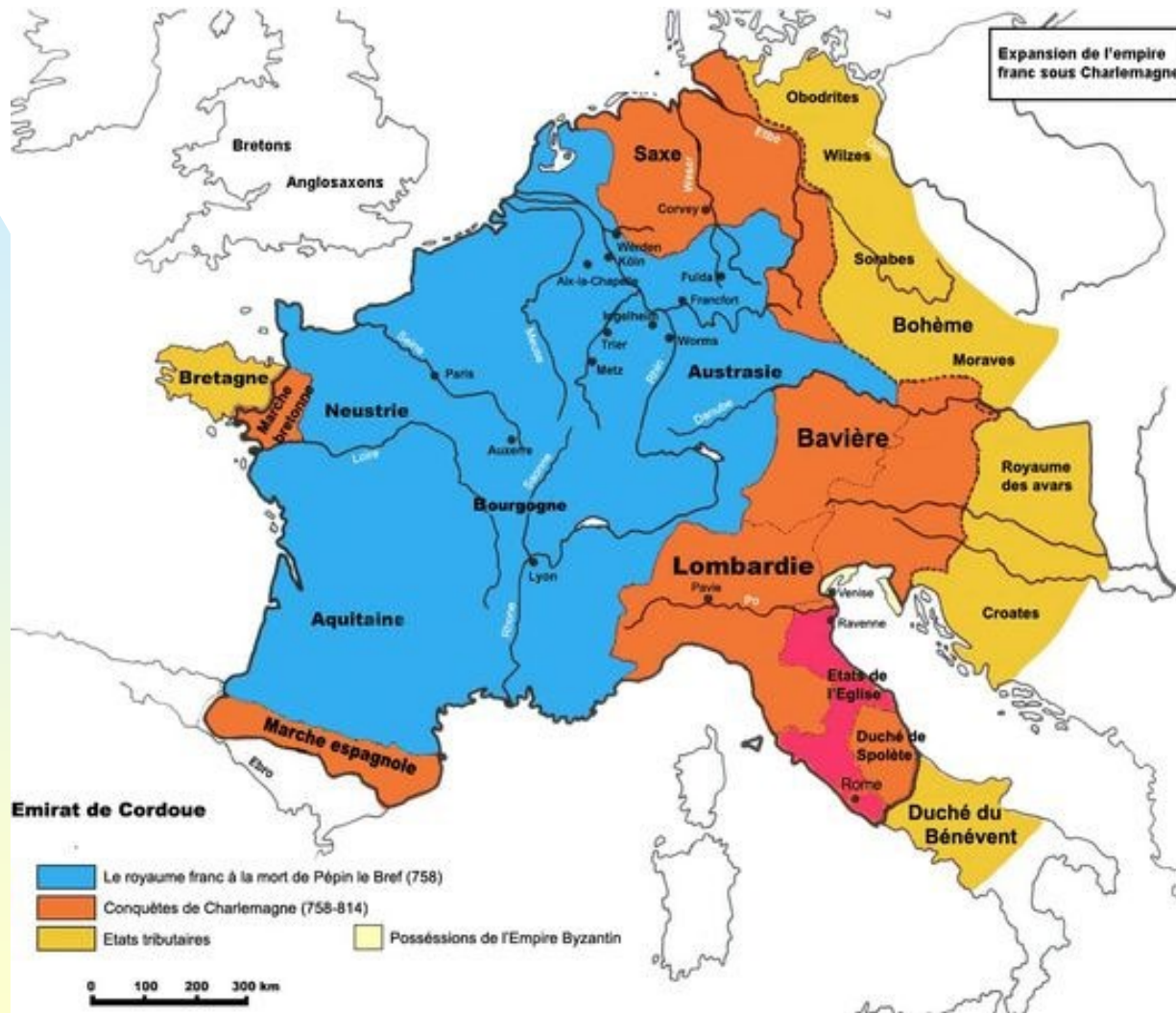
# The role of the Crusades

- There were four main crusades to the Holy Land and a number of other crusades launched against heretics in Europe, e.g., the Albigensian crusade (1209-1229).
  - First crusade starts with the disorganized Peasant's Crusade to Constantinople in 1096, followed by a second wave led by armies of nobles that conquered four important cities in the middle East including Jerusalem in 1099 – a final wave arrived in Jerusalem in 1101
  - Second crusade (1147-49), led by European kings in response to the fall of Edessa, one of the four important Crusader outposts in the Mideast. This crusade was more-or-less unsuccessful in the Mideast but did have considerable successes in Iberian peninsula
  - Third crusade (1189-92) in response to the fall of Jerusalem to Saladin in 1187. Led by European kings, including Richard I the Lionheart. Only partially successful, did gain Christian pilgrim access to Jerusalem
  - Fourth crusade (1202-4), only significant result was the sacking of Constantinople – had little impact on Muslim control of Mideast





# The Carolingian Empire: key sources for Canon Law originate with this empire



# Roman Catholic Christianity and the Dark Ages

- Following the collapse of the western Roman empire, Roman Catholic Christianity evolved within the realms of the political entities that were descended from Western Roman rule
  - The Merovingian dynasty emerged following the collapse of the western empire, evolving to encompass much of the Frankish lands extending into what is now parts of Germany, uniting much of what had been Roman Gaul.
  - Around 500, Clovis I converted to Christianity
  - The Merovingian dynasty transitions to the Carolingian dynasty c. 750.
- Charlemagne (742-814) became king of the Franks in 768 and subsequently king of the Lombards in 774 and Holy Roman Emperor in 800 → effectively the first 'emperor' in Europe since the Romans
  - Charlemagne is an essential figure in the strengthening and solidifying the role of Christianity in W. Europe, e.g., fought Muslims in Spain, forced conversion of Saxons to Christianity, defended of papacy



# The Manuscript Tradition of the Carolingians

- Early Church teaching and practice was recorded and passed down using manuscripts containing the results of ecumenical councils, papal decretals, epistles and the like – most such manuscripts are long lost and have survived in scribal copies of varying reliability
  - First ecumenical council was Council of Nicaea (325) which produced the Nicene Creed – a fundamental statement of Christian belief (revised at the first Council of Constantinople (381))
    - Oldest surviving fragment is from 5<sup>th</sup> century
    - “Most of the surviving corpus of seventy-two manuscripts and fragments containing Latin canon law dating from before c. 800 were written in the Frankish kingdoms in the eighth century” (McKitterick p.97)
- The *Hadriana* (also *Dionysio-Hadriana* after the 6<sup>th</sup> century scribe that compiled this canon law collection) – received by Charlemagne from Pope Hadrian in 774 – assumed a central role in later canon law collections
  - Acceptance of the *Hadriana* was slow and often came into conflict with local canon law collections → marks the beginning of the schoolmen



# The Schoolmen a.k.a. the Scholastics

## Who were the Schoolmen?

“The Schoolmen were products of the Church school and university educational system. Subjects of relevance to economics, particularly practical areas such as financial economics, were something of a sideshow to the more important subjects of ethics and law. Economic questions were typically addressed in the context of evaluating civil contracts involved in specific transactions.”

## The Origins of Scholasticism

Usually traced to the Carolingian revival of education in the 9<sup>th</sup> century and the revival of Aristotelian ethics and logic

Prior to this time, the Platonic concepts advanced by St. Augustine (354-450) were central to Roman Catholic theology

**Scholasticism continued to play a role in European education and Christian theology until the end of the 17<sup>th</sup> C.**







***Temptation of St.  
Thomas Aquinas (1632)***

**Diego Velázquez (1599-  
1660)**

**St. Thomas receiving  
the mystical belt of  
purity from the angels**

# Scholasticism and the Schoolmen

## □ Scholastic Doctrine

“What the Doctors of the Middle Ages were really interested in was to determine the rules of justice governing social relations. While charity was an important element of scholastic tradition, it was justice that governed scholastic thinking.” (de Roover)

**Note:** The *Summa theologiae* (1265-74) by St. Thomas Aquinas (1225(?)-1274) is considered to be the pinnacle of scholastic achievement and the height of Aristotelian influence in Christian theology -- the 13<sup>th</sup> and 14<sup>th</sup> centuries are referred to as the ‘**high scholastic**’ period – this period was aided by the appearance of translations of Greek – especially Aristotelian-- philosophy



# Types of Justice

- Two forms of justice can be identified: **distributive justice** and **commutative justice**
  - **Distributive justice** related to the distribution of wealth and income. Scholasticism perceived a natural order where every individual was to receive according to one's station in life.
  - **Commutative justice** deals with the rules governing relations between individuals. Such rules govern the exchange process, the buying and selling of goods. The concepts of 'just price' and usury relate primarily to commutative justice which determines the 'equality of objects given in exchange' (Noonan 1957, p.31).



# Types of Law

- Three general types of law can be identified: **divine law**, positive or **civil law** and **natural law**.
  - The divine law, as codified in **canon law**, originates with the Bible. (This poses real complications in interpretation reflected in the evolution of scholasticism).
  - Civil law is designed to maintain social order and must recognize that virtue is sometimes a difficult objective. Vices may be permitted, if these do not conflict with the social order. Civil law is made by governments or by local custom and can be adapted to conform to changing social norms.
- The linchpin of Scholastic economics was the **doctrine of just price**.



# Importance of Civil Law in development of Business

- An important remnant of Roman civilization was the codified character of civil law, distinct from religious law
  - This is a distinguishing feature of European civilization that differs from competing civilizations in Islam – where religious and civil law are closely interwoven – and China, where governors, emperors and other officials were key to implementation of civil law
  - Reliance of Roman law to govern business practices allowed the development of business units that were more detached from religious or state restrictions than in other civilizations
    - Roman law for business was reliant on the *societas* and the family unit, over time this allowed development into joint stock companies and, in the 19<sup>th</sup> century, into the modern corporation
    - The process of European colonization was spearheaded by semi-autonomous joint stock ‘companies’, e.g., British East India Co., formed by combining capital from private sources extending beyond family (tribal) units, as in Islam, or family and state sponsored entities, as in China



# Natural Law

Reading: Noonan handout.

- Natural law is difficult to define
- Natural law applies to fundamental issues such as the rules governing union of the sexes, the birth and raising of children and the proper treatment of neighbours.
- “The natural law may not be dispensed from by any human authority. It binds all men. Its first principles are innate, though experience is necessary for their application or development.” (Noonan)
- Is private property protected under the natural law? The answer to this question is at the root of many fundamental political and economic questions.



# Natural Law - Origins

- **Stoicism (Reason)**
- **Roman Republic (Cicero)**
- **Catholicism (Aquinas)**
- **International Law (Grotius)**
- **English Natural Rights Tradition (Locke)**





*We the People*

FREEDOM

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THE CONSTITUTION

THE DECLARATION OF INDEPENDENCE

NATURAL LAW

# Ancient Doctrines on Interest

- Aristotle and the Romans
  - Money is sterile
    - see p.12 Noonan about connection to scholastics
    - The importance of *societas* and the need to prevent exploitative character of consumption loans
- Biblical Interpretations
  - Old Testament
  - New Testament
- Treatment of Interest in Islam (*riba*)

See .pdf in .zip file for selected Biblical passages



## Important Biblical and *De Officiis* Passages on Exchange

Deut. 25:13,14: "Thou shalt not have divers weights in thy bag, a greater and a less: neither shall there be in thy house a greater bushel and a less," and further on (Dt. 25:16): "For the Lord . . . abhorreth him that doth these things, and He hateth all injustice."

Prov. 20:14, "It's no good, it's no good!" says the buyer— then goes off and boasts about the purchase.

Matt. 7:12: So in everything, do to others what you would have them do to you, for this sums up the Law and the Prophets.

Matt. 21:12: Jesus entered the temple courts and drove out all who were buying and selling there. He overturned the tables of the money changers and the benches of those selling doves.

In the *Summa* Aquinas interprets this as: "He that buys a thing in order that he may sell it, entire and unchanged, at a profit, is the trader who is cast out of God's temple."

2 Tim. 2:4: No one serving as a soldier gets entangled in civilian affairs, but rather tries to please his commanding officer. Aquinas applies this to trading by clerics: "No man being a soldier to God entangleth himself with secular businesses."

*De Offic.* iii, 15: "Contracts should be entirely free from double-dealing: the seller must not impose upon the bidder, nor the buyer upon one that bids against him."



# Scholastic Usury Doctrine

- Roman law was selectively used by the early scholastics to develop the foundations of the usury doctrine.
  - Key Source on Roman law is the *Digest* of Justinian, compiled in the 6<sup>th</sup> century by the Eastern Roman emperor
  - *Commodatum* the use of a good was freely transferred but ownership resided with the lender
  - *Mutuum*, the ownership of the good was temporarily transferred during the period of the loan. Ownership permitted the borrower use of the good, even to consume the good, so long as the same quality and quantity of good was returned at the end of the loan.
- Under earlier scholastic doctrine, a *mutuum* did apply to the loan of money. 'Money is sterile'.

## Aristotle on Interest and Usury

In the Politics (III, 23) Aristotle observes:

Of the two sorts of money-making one ... is a part of household management, the other is retail trade: the former is necessary and honourable, the latter a kind of exchange which is justly censured; for it is unnatural, and a mode by which men gain from one another. The most hated sort, and with the greatest reason, is usury, which makes a gain out of money itself, and not from the natural use of it. For money was intended to be used in exchange, but not to increase at interest. And this term usury, which means the birth of money from money, is applied to the breeding of money, because the offspring resembles the parent. Wherefore of all modes of making money this is the most unnatural.

Aristotle's views were an important influence on the scholastics.



# Exceptions to *Mutuum*

- **The Doctrine of Extrinsic Titles**
  - Provided exceptions to *mutuum* rules
- *lucrum cessans*
  - Profit ceasing
- *damnum emergens*
  - Loss Occurring
- *Poena conventionalis*
  - *Penalty*: The first widely used extrinsic title invoked to legitimize payments on loans beyond the return of principal.
  - *Poena* is *interesse* in the strict Roman sense, it is a penalty that is imposed as compensation for a delay in payment of principal.
- NOTE: Similarities in modern Islam exceptions to the prohibitions on *riba* → mortgages in Iran?





# Government Borrowing in the Italian City States

- Medieval city states had limited ability to tax and extract rents – needed to borrow to finance when engaged in all-too-common warring activities
  - **Method used for borrowing differed between the Italian city states and the medieval towns of Northern Europe**
- The system used in the Italian city states involved creating a permanent (**perpetual**) debt – the *montes* – based on tax revenues from specific sources, e.g., salt taxes, tax on the Rialto in Venice
  - First such borrowings started in Genoa in 1149 and in Venice in 1162; these early loans were obtained from specific lenders
- In 1207, Venice converted to a system of **forced loans** based on a fraction of the wealth of leading citizens; the resulting **transferable** loan document was known locally as the *prestiti*
  - Other Italian city states (Florence, Siena, Genoa) followed the move to forced loans in the 14<sup>th</sup> century
  - In 1262-4, the debt of Venice was consolidated into the *Monte Vecchio* (Mountain of Debt)





Venetian Prestiti Prices 1300-1500



# Doctrine on Gambling and Risk

- See Biblical quotes in lecture 2 .zip file
- The probabilistic basis for many modern laws can be traced to the 16th and early 17th century writings by Protestant sects such as the French Calvinists and English Puritans (Bellhouse 1988)
- Gambling presented a somewhat puzzling problem for the scholastics because gambling relies on a chance event while, at the same time, the influence of God is all pervasive.
  - Limited guidance in the Bible
  - St Thomas Aquinas : “the ultimate reason why some things happen contingently is not because their proximate causes are contingent, but because God has willed them to happen contingently, and therefore has prepared contingent causes from them”



## Important Biblical Passages on Gambling

‘the land shall be divided by lot: according to the tribes of their fathers they shall inherit. According to the lot shall possession thereof be divided between few and many.’ (Numbers 26: 55-6)

‘Therefore Saul said unto the Lord God of Israel, Give a perfect *lot*. And Saul and Jonathan were taken: but the people escaped. And Saul said, Casts *lots* between me and Jonathan my son. And Jonathan was taken.’ (I Samuel: 41-2)

‘The lot causeth contentions to cease, and parteth between the mighty.’ (Proverbs 18: 18)

‘The lot is cast into the lap; but the whole disposing thereof *is* of the Lord.’ (Proverbs 16: 33)

‘And they prayed, and said, Thou, Lord, which knowest the hearts of all *men*, shew whether of these two thou hast chosen... And they gave forth their lots; and the lots fell upon Matthias; and he was number with the seven Apostles.’ (Acts 1: 24,26)

‘And they crucified him, and parted his garments, casting lots: that it might be fulfilled which was spoken by the prophet, They parted my garments among them, and upon my vesture did they cast lots.’ (Matthew 27: 35)



# *The Merchant of Venice*

- William Shakespeare (1564-1616)
  - Strange history of the *Merchant*
    - Much of the structure for the *Merchant of Venice* appeared in a tale '*Il Pecorone*' which is contained in a book of tales compiled around 1378 by Ser Giovanni, though the actual book was not published in Italian until 1558
- Elizabethan England was quite a hostile environment for Jews.
  - In 1594, around the time the first stage presentations of the *Merchant* appeared, the Queen's physician, a Portuguese of Jewish ancestry, Roderigo Lopez, was tried, convicted and hanged. Lopez was accused of plotting, together with Antonio a pretender to the Portuguese throne, to assassinate the Queen.

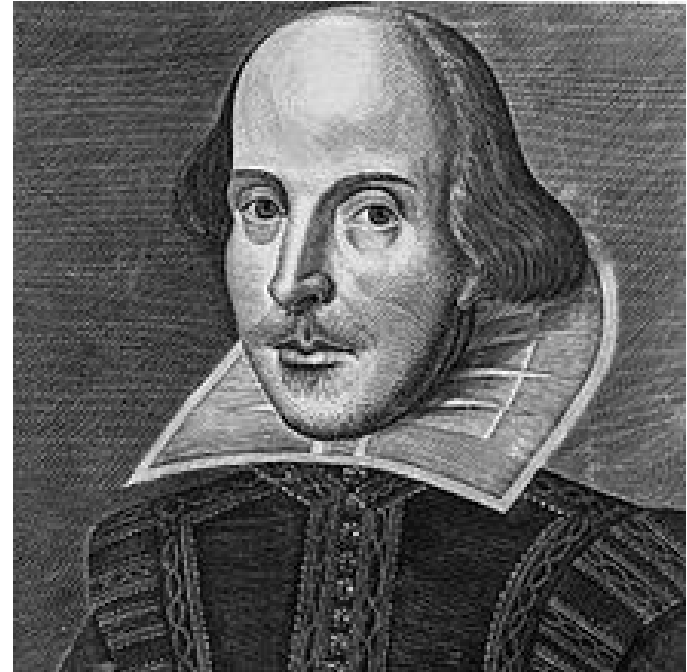
On early history of Jews in England see Selected Background Readings





## Images and Brief History of Shakespeare (1564-1616)

- There is considerable debate about whether there are any surviving portraits, sketches or busts of W.S. There is no images that have sufficient provenance and the two most likely are an etching (1623) and a bust (pre-1623) produced for Shakespeare's funeral monument, both produced posthumously



# The Story and Characters of the *Merchant*

- *The Merchant of Venice* (1600), prominently features a Jewish usurer, **Shylock**, and a Venetian merchant, **Antonio**, who makes his living from trading, buying goods in other lands and transporting them by sea to sell in Venice.
- The play revolves around a three month loan of 3000 ducats made by Shylock to Bassanio, an 'intimate' friend of Antonio. The loan is needed for Bassanio to sustain his gentlemanly lifestyle, required to continue his pursuit of marriage to Portia of Belmont, a wealthy heiress. The loan is secured by the bond of Antonio, with the penalty for forfeiture being a pound of Antonio's flesh.



**Shylock and Jessica** -- an essential sub-plot in the Merchant is Jessica's theft of her father's money from a chest of money from her father Shylock in order to elope with Lorenzo, a poor Christian, and eventual arrival in the household of Portia and Bassanio – this is an important motive for Shylock to demand the 'pound of flesh'



# More on the *Merchant*

- When Antonio's ships fail to return within the three months as expected, the bond is forfeit and Shylock appeals to the Venetian courts to ensure payment of his bond. Bassanio, who in the interim was able to obtain the hand of the rich Portia in marriage, appears with three times the value of the principal for repayment. Shylock will not be appeased. A pound of flesh is his due. There are various sub-texts, such as the eloping of Jessica
- Despite the apparent support of the laws of Venice which sanctify commercial transactions such as loans at interest, when Shylock steps outside the bounds of credible business practice by turning down three times principal and demanding the potentially fatal pound of Antonio's flesh, Portia, disguised as an eminent jurist, is able to use the laws of civil society to overturn the commercial transaction.



Alexandre Cabanel (1823-1889) *Portia* (1881)



# Interpreting the *Merchant*

- See selected quotes in Appendix to Chapter 3 of EHFE
- Shakespearean scholars have long debated the ethic undercurrents present in the *Merchant*.
  - Is Shylock despised by Antonio because he is a Jew, a usurer, or both?
  - Why does Antonio, a good Christian, participate – if only indirectly -- in a loan at interest?
  - What was the connection with the Lopez trial?





## Other art inspired by Shakespeare: Cabanel – *Ophelia* (1883) (Hamlet)





**Frank Dicksee (1853-1928)**

***Romeo and Juliet* (1884)**