

**FIRST  
PRINCIPLES**  
**In Morality and Economics**

**Volume V\***  
**1959**

**MORAL ASPECTS OF MONEY, BANKING  
AND THE BUSINESS CYCLE**

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126	21	<i>yould</i> should be <i>would</i> .
211	23	<i>brought</i> should be <i>bought</i> .
280	15-16	transpose lines 15 and 16 between lines 11 and 12.
347	18	<i>hown</i> should be <i>own</i> .
349	7	punctuation: <i>period</i> should be <i>comma</i> .
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# FIRST PRINCIPLES IN MORALITY AND ECONOMICS

*on which depend personal well-being and social health and harmony*

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## The "Field" Of Morality And Economics

The title of this publication describes its field, namely, the restatement for modern society of basic principles of morality and economics. The *morality* to which reference is made is the *ancient* morality of the Hebrew-Christian religions; the *economics* to which reference is made is in the "great tradition" of freedom, of equality before the law, and of the validity of private ownership of property.

Our term *economics* should not be interpreted to mean that the subject matter is to be limited to the production and distribution of *material* goods only. People seek nonmaterial values as well, and often place a higher estimate on the nonmaterial. Everything that has *value*, whether material or nonmaterial, is in the field of economics.

There is, it is obvious, a *welfareshortage* in the world. The welfareshortage pertains to both material and nonmaterial "things." The means fully to satisfy the welfareshortage are not adequate. The needs, values and objectives of men require all kinds of *human action* to obtain all kinds of goods — spiritual, cultural, aesthetic and utilitarian. In this publication, everything pertaining

\*This publication is successor to PROGRESSIVE CALVINISM, published monthly for four years, 1955-1958, which explains why this issue is designated *Volume V*. Individual issues of the predecessor publication are available at twenty-five cents a copy, and bound annual volumes for \$3.00 a copy. The change of name was suggested by Mr. Adolph O. Baumann. The new name is, in part, one of several which he proposed, although not his own first choice.

to any human action is its field, including, for example, such varied human action as the collection of interest, the earning of profits, foreign missions, domestic race segregation, or raising the standard of living.

There are other magazines concerning themselves with the relation between morality and economics, which in their respective fields present material admirably, such as *Christian Economics*, *Faith and Freedom*, *Freedom First*, *The Freeman*, and others.

The effects in this life of personally adhering to first principles of morality and economics are, in general, that there is greater *personal* well-being than if these principles are not followed. The health and harmony of society in general are also dependent upon adherence to these first principles. Nevertheless, individuals who adhere to moral and economic first principles are not systematically favored by natural events, which usually depend on natural laws, which are no respecters of persons. An individual who obeys principles of morality and economics is not justified in reaching a conclusion that the weather will therefore be favorably affected for his needs *only*. Further, if one man adheres to first principles but his fellows do not, he may be unfavorably affected by the evil which his neighbors do, despite his own good conduct. Although recognizing these two important qualifications, it is still true that, in the large, holding to first principles in morality and economics should, *other things being equal*, result in improved personal well-being and in better general social health and harmony.

To have been born, to have grown up, and to have lived in the United States in the first 58 years of the present century may result in the conclusions that the world is a wonderful place in which to live, that the kingdom of heaven on earth has now arrived, and that dangers seemingly threatening the present state of affairs will fade away. But it is not realistic to look upon "the good life" in the United States as being secure. Greeks and Romans in their great days probably did not anticipate the devastation of their societies, nor contemplate any return to semi-barbarism. Nevertheless that is what happened.

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Prosperity paradoxically brings with itself internal and external dangers. There is, for one, a softening internal effect from luxury. And then, too, external envy stirs up those who do not have it so good, and they watch for a favorable time to attack the prosperous. Nothing is really secure in the United States or anywhere in this world. It has always been necessary and will always be necessary to protect prosperity by a willingness to fight for first principles.

To protect ourselves, to do well to others by good example, and to be able to induce others to accept what is really good for them requires knowledge of and confidence in first principles of morality and economics.

### Accumulative Versus Multiplicative Cooperation

In the July, 1958 issue, page 222, we declared that the very existence of society depended on the existence of natural and acquired *inequalities among men*. We wrote:

God made everything and everybody different from all others. It is this infinite variety which is a presupposition to Ricardo's Law of Association. If everybody was equal to everybody else in every activity, then no cooperation between men would be profitable. Then Strongman and Feebler would have no purpose of working together because they would be equal in everything in an *equal* degree. The important item is not that people are equal or unequal, but that they are *unequally unequal*. Strongman was unequal to Feebler, in regard to the fact that Strongman excelled above Feebler in every activity; in a sense that was a divisive factor. But they were not equally unequal; and that unequal inequality is not divisive but is the reverse; it is a bonding factor; it cements men together because it is beneficial. Feebler was *one-fourth* as good as Strongman in sawing logs, but he was *two-thirds* as good in pounding nails. It is the *unequal* inequality which not only permits Ricardo's Law of Association to operate, but which is an *essential* feature of it. This feature is indubitably in accordance with reality; we are all very definitely *unequally unequal*. If it were not for that unequal inequality, society could not hang together.

In a brief (interrupted) conversation with an economist friend (Mr. Percy Greaves; until recently, well-known columnist for *Christian Economics*) it was brought to our attention that a specific task may be too great for one man to perform, for example, removing a large stone. Two men equally equal, and who would therefore not cooperate according to Ricardo's Law, which is what we were explaining, would nevertheless find it profitable to use their *combined* strength to remove the stone. This obviously correct critique persuades us to analyze the situation with greater caution at this time.

The problem can be discussed by considering various meanings of the word *cooperation*. Three types of cooperation, by which men better themselves, readily come to mind: (1) cooperative labor of men *with nature*; (2) cooperative labor of men with men to increase *cumulative strength* (the kind of case of moving a stone just cited); and (3) cooperative labor of men with men according to Ricardo's Law of Association which involves non-cumulative effort, specialization of labor, and exchange of the products of specialization, and which we shall call *multiplicative cooperation*. Although the parallel is not perfect, the case for *cumulative cooperation* yields a result, for example, of 3 plus 4 or 7; but the case for *multiplicative cooperation* is the same 3 and 4, but multiplied this time to yield 12. Ricardo's Law of Association in essence involves this multiplicative or proliferating aspect, something not demonstrated in mere cumulative cooperation.

### Cooperation With Nature

A large fraction of the efforts of men to "cooperate" consists of cooperating not with each other but with *nature*, that is, the so-called "natural laws" of the world.

Now it happens that advancement of well-being beyond a primitive stage depends upon the existence of *capital*. Capital consists in men having produced an *intermediate something* which gives them greater control over nature; that is the very essence of capital. A gasoline engine is capital. It can do an enormous amount of work. What does this gasoline engine do? It is an intermediate instrument to "harness" certain forces of nature: (1) gasoline which has explosive potentiality; (2) electricity which when timed right and made available in the right place

explodes the gasoline; (3) a mechanical design which results in transmitting that power to move a vehicle, or pump water, or do some kind of work. It is not we that work harder to get more product. We have merely combined raw forces of nature — gasoline, electricity, a metal design — in order to utilize more effectively the powers of nature. *Altered* nature does the extra work.

Or we “harness” cotton fibres to obtain cloth: we plant cotton seeds, we cultivate the plant, we pick the cotton, we design machines to process the cotton, to spin and weave it; then we dye it and fashion the cloth into a garment. The garment protects our bodies from becoming cold and wet. We “converted” raw nature into certain intermediate products so that nature would work better for our specific needs and would have a greater utility for us. By such, and many other and various indirect means or intermediate products we make the forces of nature, in regard to a certain thing for a specific purpose, cooperate with us.

### Cumulative Cooperation

In the second place there is that form of cooperation among men which merely *adds* their strengths, but does not *increase* their performance beyond mere aggregation or accumulation. This was the case of the stone already cited. Something weighing 300 pounds needs to be removed. One man tugs and strains but to no avail. He calls his neighbor. Let us assume each can lift 160 pounds. The two lift together and then the obstacle is successfully removed. Here were men with equal lifting strength *cooperating* to advantage. We should have called attention to this type of case resulting in cooperation even among equally equal men. (Those who remember the days of threshing machines will think of the *cooperation* involved between neighboring farmers to get their grain threshed. The *size* of the job in the time to get it done and to match the output of a steam engine and a thresher required massing labor not so much for division of labor as aggregating it. Obviously this cooperation *was* important.)

Our first thought was that this type of case is rather unimportant, and relatively this type of cooperation among men is not of great importance compared with cooperation of men with nature, previously mentioned; the *cases* are fewer; and the *effects* are less. Whereas harnessing nature yields tremendous *multipliers*

of power, this method yields a simple *addition* of power. But this cooperation should not be ignored or despised, and a primitive society would exist on this ground alone, if for no other reason than to get the benefit from *aggregate* self-defense against enemies. Ten men fighting together against a common enemy have a great advantage compared with each man protecting himself in isolation. Our friend's critique is, therefore, significant and corrective in an important way.

### Multiplicative Cooperation

Next, there is a third type of cooperation, namely, the type which we have called *multiplicative* cooperation rather than cumulative cooperation. This is the kind of cooperation which is involved under what is known as Ricardo's Law of Association. Such cooperation, we believe, is more important than cumulative cooperation; the most effective binding force in society resides in this type. However, the peculiarity of this type of cooperation is that it is practically universally not understood nor even known to exist. It requires an analytical approach and the use of mathematics to *understand* how Ricardo's Law works. Although the Christian religion has long incorporated the *consequences* of Ricardo's Law into its moral teaching, it has not, however, presented the analytical, mathematical evidence. The *effect* is accepted, but the *cause* is not understood.

Ricardo's Law of Association in its broadest formulation is simply this: *voluntary* cooperation by people results in benefits far beyond mere addition or cumulation; everybody participating benefits more than cumulatively; the strongest, wisest and most talented person gains from humble cooperation with the weakest, most foolish and least-talented person; but vice versa, the feeblest, least-wise and most-ungifted person gains inescapably from the cooperation of the strongest, wisest and most gifted persons. As long as the participations are voluntary, there are inevitable *mutual* gains, except that there be an error of judgment on somebody's part, which of course will be discovered promptly by experience and will therefore be eliminated.

In this formulation of Ricardo's Law the inclusion of the word *voluntary* is essential. The law is impaired if the word *voluntary* is left out. This calls attention to the fact that Ricardo's

Law will not function well if the strong coerce the weak, (or for that matter if the dishonest cheat the innocents; but this latter will be corrected by "experience"; coercion, contrarily, is not necessarily corrected by experience). Underlying Ricardo's Law, then, is an assumption, namely, that coercion and violence are not present in the *attitude* of the participants; or, if present, that it is *controlled* and *restrained* by the group as a whole against individual members, or by some agency such as the state.

This points to the basic importance of the ancient command in the Mosaic decalogue, the Sixth, *Thou shalt not kill*. In this statement all coercion is obviously condemned (except restraint of evil, of course). When coercion is absent, action becomes voluntary. In the New Testament of the Christian religion the condemnation of coercion gets a positive formulation, to wit, meekness is strongly praised. "Blessed are the meek, for they shall inherit the earth" (Matthew 5:5). If "inheriting the earth" means getting along well and being prosperous, then no text in Scripture more strongly confirms Ricardo's Law than this beatitude. *Meekness* means to leave matters *voluntary*; to leave matters voluntary means to increase greatly the *mutual production* for society, which must necessarily be for mutual *advantage* or else the participation was not (as it was by definition) voluntary.

In the July issue we gave an example of Ricardo's Law. We assumed that two men, named Strongman and Feebler, would experiment to find out which was more profitable — working together or working separately at building houses for themselves. But to make the case "hard," we assumed Strongman was *more capable in everything* than Feebler. The conclusion that nearly everyone, at first, reaches is that Strongman would be better off building his own house, and that his selfish interests are served by letting the incompetent Feebler struggle along by himself. But that is a gross error. We quote from the earlier issue, page 208:

Both men need a shelter. Both men have the same size families and need the same space. They are both going to build simple shelters of the same size. All the material that they need is 2,000 logs (or boards) apiece and 9,000 nails. We shall assume that both men have a hammer and the nails, but that the logs or boards must be cut and the nails pounded.

According to an assumption we have already made Strongman will exceed Feebler both in sawing logs (or boards) and in pounding nails. Strongman can saw 100 boards an hour and pound 300 nails an hour. Feebler can saw only 25 boards an hour and can pound only 200 nails an hour.

What will it require of Strongman to build his shelter? This is easily computed. If he must saw 2,000 logs or boards at the rate of 100 an hour, it will take 20 hours of sawing. Similarly, if he must pound 9,000 nails at the rate of 300 an hour, that will require 30 hours. The 20 hours of sawing and the 30 hours of pounding make a total of 50 hours.

Feebler's position is different. He can saw 2,000 logs at the rate of only 25 an hour, and so sawing will require 80 hours for him. He can pound his 9,000 nails at the rate of only 200 an hour, and so pounding nails will require 45 hours. It will require 125 hours of work for him to build a shelter compared with only 50 for Strongman.

The 125 hours of work for Feebler plus the 50 hours of work for Strongman total 175 hours as is shown in Table 1.

*Table 1*  
**Two Unequally Unequal Men Working Separately**

STRONGMAN		FEEBLER	
2,000 logs at 100 an hour =	20 hours	2,000 logs at 25 an hour =	80 hours
9,000 nails at 300 an hour =	30 hours	9,000 nails at 200 an hour =	45 hours
Total	50 hours	Total	125 hours
The two together (50 + 125) = 175 hours			

On the surface there appears to be only one thing for Strongman to do, namely, to do all his own work, and let Feebler struggle alone by himself. Is that, for him, the smartest way to be "selfish"?

He goes over to the Feebler plot of land and discovers Feebler is at a very serious disadvantage at sawing logs, but that he is not at so serious a disadvantage at pounding nails. And so he suggests to Feebler that they work together building their two shelters.

There are two things which might be advanced against this. It might seem to be against Strongman's



interest to share his strength with Feebler, and Feebler in his weakness may be inclined to say to himself that there can be nothing in it for him. Nevertheless, Strongman comes up with this proposition which is very simple. He says, "I will saw all the logs and you will pound all the nails."

But Feebler shakes his head and says that it is impossible to make a deal because he (Feebler) admits that he cannot even pound nails so fast as Strongman can. He says, "It is not possible for me to pound nails for you because you can pound nails 50% faster than I can; I can pound only 200 an hour and you 300 an hour."

To that Strongman answers: "Let us figure this out. If I saw all the logs for both of us, I will have to saw 4,000. If you pound all the nails for both of us, you will have to pound 18,000. Let us see how many hours that will take. First I saw the 4,000 logs at 100 an hour, that is, I work for 40 hours. Then you pound the 18,000 nails at the rate of 200 an hour, that is, in 90 hours." It works out like this:

*Table 2*  
**Two Unequally Unequal Men Working Together**

4,000 logs at 100 logs an hour = 40 hours labor for Strongman  
18,000 nails at 200 nails an hour = 90 hours labor for Feebler  
The two together = 130 hours

The result is astonishing. The time required to build the two shelters is now only 130 hours compared with the 175 hours shown in Table 1! The saving is 45 hours. In the way we have set up the example, the savings are distributed to both Strongman and Feebler. Previously Strongman spent 50 hours to build his own shelter. Now he has to work 40 hours for exactly the same shelter. He saves 10 hours.

Similarly Feebler makes a saving. Building his own shelter required 125 hours but now by working with Strongman he will have to work only 90 hours. He has a saving from 125 hours down to 90 hours, or 35 hours.

For several variations in the calculations, see as well the August and September 1958 issues.

When we use the term, *multiplicative cooperation*, we refer to the operation of Ricardo's Law of Association, which demonstrates the spectacular benefits which accrue from that type of cooperation. The benefits are not merely cumulative; they are multiplicative.

Ricardo's Law of Association is, unfortunately, not recognized to be one of the very greatest laws governing human relationships. Ricardo (1772-1823) himself was an operator on the London stock market, who retired young after making a fortune. He interested himself in financial and trade problems, including foreign trade and tariffs on such trade. To answer the question whether foreign trade was profitable to all concerned Ricardo worked out the law known by his name. It shows that two nations, one rich and powerful and the other poor and weak, would *both* profit from trade with each other. It sounds unbelievable that two men (or two nations) one of whom is stronger and more productive *in every regard* than the other man (or nation), can *mutually* profitably cooperate (trade with each other). But that is what Ricardo's law indubitably shows. Free cooperation *always* pays well for anyone and everyone. *Both* gain. Those gains result from the character of creation (inequality of men) and from division of labor; or in more fundamental language, the profit from cooperation derives from the *unequal inequality* of men (see July, August, September 1958 issues) caused by creation and by human effort.

Ricardo worked this out for foreign trade, but what is true of foreigners living long distances apart and under different governments is equally true of next door neighbors. Ricardo's Law is of *universal* application. However, it is a strange phenomena that, although Ricardo's Law is absolutely fundamental and universal, one never hears of it in moral and religious circles. It is the most unknown great law that exists. The consequences of this are serious. Not knowing Ricardo's Law of profitable cooperation, men turn to the two alternatives, namely, (1) to coercion, and (2) to charity. To hold society together men think they must have recourse only to these two. Because charity is not forthcoming (so it is believed) in sufficient quantity for the welfare of society, there is further recourse to coercion. What was charity is thereby converted into a governmental type of

Robin Hoodism — the government by means of compulsion takes from some in order to give to others.

In proportion as society finds it necessary to revert to compulsion or coerced "charity," — and in proportion as it is ignorant of and neglectful of relying on Ricardo's Law of Association — its character deteriorates. To the extent society can rely on Ricardo's Law (and its premises) that society is a good society.

In this connection a remark of Adam Smith, the greatest of the early economists, and the general teaching of Scripture are both worth noting.

Adam Smith, analyzing economic freedom, and *free markets*, referred to the wonderful benefits that accrued from them. Although not a religious man in the Christian sense of the term, Smith referred to the blessings that seem to come bountifully and mysteriously from freedom and free markets as "by an invisible hand." He wrote as follows (*The Wealth of Nations*, p. 423) Modern Library edition (our italics):

But the annual revenue of every society is always precisely equal to the exchangeable value of the whole annual produce of its industry, or rather is precisely the same thing with that exchangeable value. As every individual, therefore, endeavors as much as he can both to employ his capital in the support of domestic industry, and so to direct that industry that its produce may be of the greatest value, every individual necessarily labours to render the annual revenue of the society as great as he can. He generally, indeed, neither intends to promote the public interest, nor knows how much he is promoting it. By preferring the support of domestic to that of foreign industry, he intends only his own security; and by directing that industry in such a manner as its produce may be of the greatest value, he intends only his own gain, and he is in this, as in many other cases, led *by an invisible hand* to promote an end which was no part of his intention. Nor is it always the worse for the society that it was no part of it. By pursuing his own interest he frequently promotes that of the society more effectually than when he really intends to promote it. I have never known much good done by those who

affected to trade for the public good. It is an affectation, indeed, not very common among merchants, and very few words need be employed in dissuading them from it.

What Adam Smith is saying is that the blessings of noncoercion (from obeying the Sixth Commandment, Thou shalt not coerce (kill),) are beyond addition and beyond expectation. They appear mysteriously good and almost illogical. But the "invisible hand" was essentially Ricardo's Law. What was happening was neither illogical nor unaccounted for by mathematics.

Similarly, the Christian religion, especially in the Wisdom Books in the Old Testament, declares that the blessing of God rests on obedience to his commandments. The constant refrain is *obey*; obey and it will go well with you. Obey what? The Ten Commandments of Moses; then God will reward you. How? By a miraculous act of some kind? Would you wake up some morning with extra grain in your granary, extra cows in your pasture, extra jewelry on your wife's fingers? No such mysterious events have ever occurred. But the prosperity which is repeatedly mentioned and which is held out as a bait to good conduct — and which is considered something extra for you, something more than cumulative, something really *multiplicative* — is an obvious manifestation of Ricardo's Law. But to understand this it is necessary to remember that Ricardo's Law has premises underlying it, on which it depends, namely, obedience to the Decalogue, especially obedience to the Sixth Commandment.

The mysterious part of "blessings from God" are always (1) from the operations of Ricardo's Law (which is not known and understood and consequently appears to be *special* although it is not), or (2) from direct theistic acts of God. When the ancient lawgivers and prophets of the Hebrews forecast blessings on obedience and punishment on disobedience of the commandments of God, it is not known to what extent the eventual result was based on the operation of Ricardo's Law and to what extent on miraculous theistic intervention. But whichever the means relied on, the prophecies were correct.

Some Christians have a melancholy and defeatist attitude. To be a Christian, and to obey the Commandments of God, (according to their view) involves a penalty, a handicap, and requires facing the prospect of nonsuccess. If they are correct

about that, what Scripture teaches is in error, and Ricardo's Law is not mathematics after all. The trouble comes not from obeying the Mosaic commandments nor from Ricardo's Law — the trouble comes from exactly the opposite side — from *disobedience* somewhere, somehow, by somebody, of the Mosaic Law of Morality. The foundation of society, and of Ricardo's Law, is the Decalogue of the Hebrews. Ricardo's Law will always operate unless a man himself violates the Ten Commandments, or unless one or more of his fellows violates those commandments.

## Charity Has Never Yet Sustained Society

The natural tendency for religious people is to promote *charity*, and to put forth the idea that *that* is the real bond of society and of brotherly love.

That charity has a function as a bond for society is not to be disputed, but its position is strongly subordinate. Charity is only a supplemental, fractional agency for making a good society; a customary figure might be selected, say 10 percent. When much beyond that, charity, except in emergencies, is a divisive, and certainly a psychologically destructive factor in society.

Marxian socialism-communism pretends it relies *solely* on charity as its principle for a bond for society. Religious people, when they engage in practical affairs, often turn hopefully to the same principle, because it is the *only* principle that they know, except coercion. They are reluctant openly to be in favor of coercion. They wish to do something. They appear to be uninformed on "cooperation" as a principle. Their only recourse therefore is to charity. Brotherly love becomes synonymous with charity. The simplest descriptive term for the social gospel is charity. The same can be said for socialism-communism. The "Kingdom of Righteousness" or the "Kingdom of Heaven" on earth, in this type of thinking, are imaginary constructions of society. They never come into real existence. They are fantasies of wishful thinking.

This was registered on our mind anew when we read an editorial in *Christian Economics* (January 6, 1959) with the title "Charity vs Welfare State." We quote it:

### Charity Versus Welfare State

A correspondent vigorously defending the welfare-state quotes the scripture as follows:

"If any man has this world's goods and sees his brother in need, yet closes his heart against him, how does God's love abide in him?"

(I John 3:17 R.S.V.).

We are in perfect accord with this statement of St. John. When A sees B in need, if he is a Christian, he will help him. That is Christian charity, a very important part of the message of Jesus.

But when A sees B in need and robs C and D, either in person or by means of the power of government, in order to help B, that is welfare-statism. The two are as far apart as the poles.

Christian charity builds good will between giver and receiver and stimulates both to increase efforts. Welfare-statism causes ill-will among the parties concerned. Those on the receiving end never get as much as they think they should have and those forced to pay feel that they are the victims of injustice.

Welfare-statism or socialism is not Christian, was not taught by Jesus, destroys good will, decreases production, puts an end to freedom, and in the end brings hard times and slavery upon us all.

This matter is so plain and so clear that we see no reason why intelligent Christians should confuse Christian charity, the responsibility of the individual to aid suffering, with welfare-statism which is the use of coercive power to rob some and, after taking care of the bureaucrats, to give what is left to those whom the bureaucrats think are most deserving, or have the most votes.

The only kind of *charity* is voluntary charity. The moment that the *voluntary* aspect is removed, the gift is no longer charity, but coercion. Now *voluntary* charity is exactly what the advocates of an earthly "Kingdom of God" are not satisfied with; they consider it inadequate; people do not *give* enough. Therefore, they favor requiring *compulsory* giving, through the medium of taxes and expropriation.

Of the three principles for "organizing" society — coercion, charity and cooperation — the principle of "charity" is the first to drop out. It will not "work." Even those who appeal to "brotherly love" and "righteousness" as principles for organizing society are never satisfied with *voluntary* charity. In other words, if "brotherly love" and "righteousness" are indeed real principles then the words must mean something else than charity. And they do. Essentially, they refer to *cooperation* among men and not *charity* among men. At least the ancient Hebrew ethics referred to *cooperation* as the basis of society, and not charity. And the ethics of New Testament times did not deviate from the Old Testament principle.

But if *cooperation* and not charity is the basic *ethical* principle binding society together, then what does *cooperation* mean? Should not religious leaders define *cooperation* so that it means something more and better than charity. Or have they no such definition? Is there in fact any other definition possible than Ricardo's Law of Association?

Of the three principles potentially able to bind society — coercion, charity and cooperation — the following is one way to look at them:

1. Charity is a fractional bond. On the average maybe good for 10%. To expect more than that will probably result in disappointment, and probable psychological damage to receiver and giver. To *insist* on more than that — or more than is voluntary, whatever that may be — is to resort to coercion; *charity*, as a principle, has been abandoned by the very act of compulsion.

2. Coercion plays a necessary and vital role in society for resistance to domestic and foreign evil. For those purposes coercion is meritorious, but for no other. The most fundamental ethical commandment in the Mosaic Decalogue completely forbids coercion (Thou shalt not kill) except to resist evil.

3. That leaves only one *general* principle for bonding society together, namely, *cooperation*, to wit, voluntary exchange between men. If Ricardo's Law is understood, men selfishly seeking their own gain in a *voluntary* framework never can do good to *themselves only*. In *that framework*, they can *never* help themselves without helping their neighbors simultaneously.

Who hurts his neighbors by being selfish in a bad sense? He who goes off by himself; he who will not develop his own skills and specialize in his own work; he who wants a primitive society rather than a complex, mutually dependent society; he who, like Gandhi, wishes society to return to individual self-sufficiency.

And who really abides by the principle of cooperation? He who specializes and develops great special skills; who, therefore, must *exchange* his surplus for the surplus of other specialists; he who makes these exchanges without coercion or threats of coercion; he who rejoices in the *more complex* society becomes, because the more complex it becomes the more "cooperative" it must be, and *consequently the more prosperous it must be for everybody*.

It is *Ricardo's Law plus the premises that underlie it*, namely, the ethical commandments in the Mosaic Decalogue, which constitute the basic principle of a "just society" or "social righteousness" or the "Kingdom of Heaven" on earth.

## James Madison Versus Karl Marx On The Origin Of Property

Karl Marx (1818-1883) opposed private ownership of property because (he said) it made men unequal. *Private* property was cause; resulting inequality was effect.

James Madison (1751-1836), fourth president of the United States, took an exactly contrary position. He declared that men were born unequal in abilities: *that* (his exact expression, probably selected to de-emphasize inequality, was "diversity of faculties") was cause. He declared that the effect of that cause was that some men had property and others did not.

Is inequality of men an effect of private property as Marx alleged; or is inequality of men the cause of private property as Madison alleged?

The answer to these questions has an interesting bearing if one believes in a God who created the human race. If God created men unequal (a condition Madison declared men were in) then God is the ultimate cause of private property, and it was valid for Him to legislate against theft. If on the other hand, God made men equal, and if He wants them kept equal (so that equality presumably manifests brotherly love!), then private prop-



erty is an evil because it is one form of inequality. There is also the question that, if God did not make men equal, should He have done so, and whether His failure to have done so is a blemish upon His act of creation. Finally, if He failed to be a good Creator (alleged on the ground that He did not make men equal), then there is the question whether men should undertake to work towards equality in order to correct a basic deficiency of the act of creation by God.

As a question of individual and social objectives, the problem can be phrased this way: should men strive to be equal or to be unequal? Or as a question of morality: is gross inequality (or any inequality for that matter) evidence of injustice or lack of brotherly love? Or as a question of church doctrine: is private property ultimately the result of a *good creation by God*, or is private property ultimately the result of the *sins of men*? Madison ascribes the existence of private property to an act of God (or at least to a physiological fact), to creation or evolution whichever he may have believed. Marx, contrarily, ascribes the existence of private property to "sin," — the exploitation of the weak by the strong.

Whether or not Madison explicitly step by step developed his doctrine that private property depends on the inequality of men is not known to the writer. But Madison reveals enough of his thinking in the Tenth of *The Federalist Papers* so that his reasoning can be adequately traced. This Tenth of *The Federalist Papers* is one of the best. In it Madison effectively develops the idea that a *republic* is a better type of government than a *democracy*. In the course of his argument he frankly meets up with the question of *faction* in a *popular* society (as distinguished from a monarchic or an aristocratic society). He declares that there will always be special interests or *factions*. The most conspicuous case is the one between property owners and the propertyless. It is at that point that he makes statements as follows (our italics):

The second expedient [for removing the *causes* of *faction*] is as impracticable as the first would be unwise. 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

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.*

*The latent causes of faction are thus sown in the nature of man; and we see them everywhere brought into different degrees of activity, according to the different circumstances of civil society. A zeal for different opinions concerning religion, concerning government, and many other points, as well of speculation as of practice; an attachment to different leaders ambitiously contending for pre-eminence and power; or to persons of other descriptions whose fortunes have been interesting to the human passions, have, in turn, divided mankind into parties, inflamed them with mutual animosity, and rendered them much more disposed to vex and oppress each other than to cooperate for their common good. So strong is this propensity of mankind to fall into mutual animosities, that where no substantial occasion presents itself, the most frivolous and fanciful distinctions have been sufficient to kindle their unfriendly passions and excite their most violent conflicts. But the most common and durable source of factions has been the various and unequal distribution of property. Those who hold and those who are without property have ever formed distinct interests in society. Those who are creditors, and those who are debtors, fall under a like discrimination. A landed interest, a manufacturing interest, a mercantile interest, a moneyed interest, with many lesser interests, grow up of necessity in civilized nations, and divide them into different classes, actuated by different sentiments and*

views. *The regulation of these various and interfering interests forms the principal task of modern legislation, and involves the spirit of party and faction in the necessary and ordinary operations of the government.* [*The Federalist Papers* (Selections), Henry Regnery Company, Chicago, 1948.]

Madison makes an affirmation about the natural conflicts between men; the statement reads: "The diversity of the faculties of men, . . . is . . . an insuperable obstacle to a uniformity of interests." Madison here begins with a creational, or at least a biological fact, namely, "the diversity of the faculties of men." This is the basic premise from which he reasons. He does not endeavor to substantiate the proposition. He apparently takes it as an axiom, beyond proof or so obvious that it does not need proof. But then he slips in a subordinate idea so that the complete sentence reads: "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." In short: men are unequal in abilities; therefore (1) they cannot have the same interests; and (2) they acquire *rights* to property.

Then Madison goes on to make additional statements, equally impressive whether they are right or wrong. He declares that "The protection of these faculties is the *first* object of government." One might ask how a government can "protect" created or acquired faculties; they are in existence despite government and independent of government by virtue of creation. But what he obviously means is that it is the function of government to prevent anyone from frustrating *the exercise* by another of his special faculties. The sentence reads clearer and less-objectionable if three words are inserted: "The protection of [*the free exercise*] of these faculties is the first object of government." This is simply the proposition that the purpose of government is to protect each man's freedom. How could freedom be more significant than in the untrammelled exercise of abilities? Then Madison states his conclusion: "From the protection of different and unequal faculties of acquiring property, the possession of different degrees and kinds of property immediately results; . . ."

In the second paragraph quoted Madison shows the ultimate

cause of the existence of private property; he writes: "The latent\* [ultimate] causes of faction are thus *sown in the nature of man*. Marx declared just the opposite, namely, that property existed solely because of *man-made laws*.

Madison later makes the statements: "But the most common and durable source of factions has been the various and unequal distribution of property. Those who hold and those who are without property have ever formed distinct interests in society." If that means that the two interests (the property holders and the propertyless) *think* that their interests are contrary, the statement is above reproach. But if it means that there is a *genuine* conflict of interest between the property holders and the propertyless, then the statement is a profound error. Undoubtedly, Madison meant that the two classes, especially the propertyless, *think* that their interests are opposed. In fact, they are not; the great mistake lies in *thinking* it. The detailed proof must await another time. But one point will immediately be obvious to everyone: if *A* may not keep *his* property, then no one else should expect his own to be safe. If a man does not have property and if acquiring ownership is not made safe, he will not work hard or be thrifty to obtain it, because having done so, it will be taken from him, as he himself previously approved taking *A's* property from him. Then, generally, people will voluntarily *neither work hard nor save any more*. Then *capital per capita* will decrease. As sure as the sun rises and sets, and that all men are mortal, prosperity *for men collectively* — property holders and propertyless — will then decline. Eventually, there will be severe poverty, because prosperity depends on the amount of *capital per capita*. Other explanations of the immediate cause of prosperity are erroneous.

However, if individual men do not save, and if desperate poverty will then result for everybody, there is still the possibility of *collective saving*, via the government. These are known as Five-Year Plans, or the like, of tyrannical and despotic governments. Obviously, prosperity and liberty alike depend on *private* ownership of property, regarding the protection of which Madison, at the end of the quotation says: "The regulation of these various and interfering interests [largely relating to property] forms the principal task of modern legislation . . ."

\*The dictionary gives as the first meaning of *latent*: "not visible or apparent; hidden . . ."

Madison's reasoning appears to be sound. His conclusion follows from his premises. But the *ultimate* question remains: Did God make a mistake when He made men unequal in faculties? This is indeed fundamental. Fortunately, David Ricardo showed mathematically that *inequality* is a great blessing. From Ricardo's\* mathematical demonstration of the Law of Association only one inference is possible: God was infinitely wise when He made men unequal in the fullest sense of the term. If inequality were not a fundamental ingredient in creation, human society, in any significant sense of the term, would not exist.

### Government Versus Constitution

In the November and December 1958 issues, we quoted from the early section of John C. Calhoun's *A Disquisition on Government*, and we indicated our estimate of Calhoun as a political thinker. We concur with the prevailing estimate that John Calhoun is the foremost political philosopher that the United States has produced.

In the sections previously quoted, (in November 1958) Calhoun outlined his views that man never lives in isolation but that he is essentially social in character. He neglects mention of the theories of Rousseau about man being good in nature and spoiled by association with fellow men. Calhoun states only his own affirmative opinions. It is, of course, necessary for him to explain why everything is not "sweetness and light" in society. He does this by a simple and fundamental proposition, namely:

"...while man is created for the social state and is accordingly so formed as to feel what affects others as well as what affects himself, he is, at the same time, so constituted as to feel more intensely what affects him directly than what affects him indirectly through others, or, to express it differently, he is so constituted that his direct or individual affections are stronger than his sympathetic or social feelings."

Calhoun says man was created that way, and implies therefore that it is not sin in itself to have "individual affections . . . stronger than . . . sympathetic and social feelings."

Calhoun's profound and simple way of showing how man was created keeps him from an erroneous conception of sin;

\*See July through September 1958 issues of PROGRESSIVE CALVINISM.

(obviously, it is not sin that we were *created* as we were). An understanding such as Calhoun's of the nature of man and of the nature of sin has the consequence that his subsequent thinking is on a sound foundation rather than an unrealistic one.

With simplicity and force, Calhoun, in four and one-half pages explains the nature of man and the necessity of government. Without making his presentation parochial, by using Biblical terms or categories of thought in regard to creation, society and sin, he nevertheless in effect begins with completely Biblical premises; (but contrary, however, to premises which are popular but erroneous *interpretations* of Scripture). In those four and one-half pages Calhoun also calls attention to the moral validity of pursuing self-regarding interests, although he specifically avoids the use of the word "selfish." With cogency he shows that a society based upon anything else than self-regarding interests would become chaotic. (See also May 1958 issue, pages 156ff., and elsewhere in this publication for arguments on the same subject and to the same effect as Calhoun's.)

Calhoun makes clear that society cannot exist without government. But he immediately meets up with a problem of what the character of government is, and whether there are dangers in connection with the existence of government. Calhoun looks at government from two viewpoints: (1) that it is an absolute necessity and a great good; but (2) that it is potentially dangerous and evil because government may oppress rather than protect its citizens. We quote from pages 7-10 of The American Heritage Series issue of Calhoun's *A Disquisition on Government*.

But government, although intended to protect and preserve society, has itself a strong tendency to disorder and abuse of its powers, as all experience and almost every page of history testify. The cause is to be found in the same constitution of our nature which makes government indispensable. The powers which it is necessary for government to possess in order to repress violence and preserve order cannot execute themselves. They must be administered by men in whom, like others, the individual are stronger than the social feelings. And hence the powers vested in them to prevent injustice and oppres-

sion on the part of others will, if left unguarded, be by them converted into instruments to oppress the rest of the community. That by which this is prevented, by whatever name called, is what is meant by *constitution*, in its most comprehensive sense, when applied to *government*.

Having its origin in the same principle of our nature, *constitution* stands to *government* as *government* stands to *society*; and as the end for which society is ordained would be defeated without government, so that for which government is ordained would, in a great measure, be defeated without constitution. But they differ in this striking particular. There is no difficulty in forming government. It is not even a matter of choice whether there shall be one or not. Like breathing, it is not permitted to depend on our volition. Necessity will force it on all communities in some one form or another. Very different is the case as to constitution. Instead of a matter of necessity, it is one of the most difficult tasks imposed on man to form a constitution worthy of the name, while to form a perfect one — one that would completely counteract the tendency of government to oppression and abuse and hold it strictly to the great ends for which it is ordained — has thus far exceeded human wisdom, and possibly ever will. From this another striking difference results. Constitution is the contrivance of man, while government is of divine ordination. Man is left to perfect what the wisdom of the Infinite ordained as necessary to preserve the race.

With these remarks I proceed to the consideration of the important and difficult question, How is this tendency of government to be counteracted? Or, to express it more fully, How can those who are invested with the powers of government be prevented from employing them as the means of aggrandizing themselves instead of using them to protect and preserve society? It cannot be done by instituting a higher power to control the government and those who administer it. This would be but to change the seat of authority and to make this

higher power, in reality, the government, with the same tendency on the part of those who might control its powers to pervert them into instruments of aggrandizement. Nor can it be done by limiting the powers of government so as to make it too feeble to be made an instrument of abuse, for, passing by the difficulty of so limiting its powers without creating a power higher than the government itself to enforce the observance of the limitations, it is a sufficient objection that it would, if practicable, defeat the end for which government is ordained, by making it too feeble to protect and preserve society. The powers necessary for this purpose will ever prove sufficient to aggrandize those who control it at the expense of the rest of the community.

In estimating what amount of power would be requisite to secure the objects of government, we must take into the reckoning what would be necessary to defend the community against external as well as internal dangers. Government must be able to repel assaults from abroad, as well as to repress violence and disorders within. It must not be overlooked that the human race is not comprehended in a single society or community. The limited reason and faculties of man, the great diversity of language, customs, pursuits, situation, and complexion, and the difficulty of intercourse, with various other causes, have, by their operation, formed a great many separate communities acting independently of each other. Between these there is the same tendency to conflict — and from the same constitution of our nature — as between men individually; and even stronger, because the sympathetic or social feelings are not so strong between different communities as between individuals of the same community. So powerful, indeed, is this tendency that it has led to almost incessant wars between contiguous communities for plunder and conquest or to avenge injuries, real or supposed.

So long as this state of things continues, exigencies will occur in which the entire powers and resources of the community will be needed to defend its existence.



When this is at stake, every other consideration must yield to it. Self-preservation is the supreme law as well with communities as with individuals. And hence the danger of withholding from government the full command of the power and resources of the state and the great difficulty of limiting its powers consistently with the protection and preservation of the community. And hence the question recurs, By what means can government, without being divested of the full command of the resources of the community, be prevented from abusing its powers?

The question involves difficulties which, from the earliest ages, wise and good men have attempted to overcome — but hitherto with but partial success. For this purpose many devices have been resorted to, suited to the various stages of intelligence and civilization through which our race has passed, and to the different forms of government to which they have been applied. The aid of superstition, ceremonies, education, religion, organic arrangements, both of the government and the community, has been, from time to time, appealed to. Some of the most remarkable of these devices, whether regarded in reference to their wisdom and the skill displayed in their application or to the permanency of their effects, are to be found in the early dawn of civilization — in the institutions of the Egyptians, the Hindus, the Chinese, and the Jews. The only materials which that early age afforded for the construction of constitutions, when intelligence was so partially diffused, were applied with consummate wisdom and skill. To their successful application may be fairly traced the subsequent advance of our race in civilization and intelligence, of which we now enjoy the benefits. For without a constitution — something to counteract the strong tendency of government to disorder and abuse and to give stability to political institutions — there can be little progress or permanent improvement.

In answering the important question under consideration it is not necessary to enter into an examination of

the various contrivances adopted by these celebrated governments to counteract this tendency to disorder and abuse, nor to undertake to treat of constitution in its most comprehensive sense. What I propose is far more limited: to explain on what principles government must be formed in order to resist by its own interior structure — or to use a single term, *organism* — the tendency to abuse of power. This structure, or organism, is what is meant by constitution, in its strict and more usual sense; and it is this which distinguishes what are called “constitutional” governments from “absolute.” It is in this strict and more usual sense that I propose to use the term hereafter.

There is a statement in Scripture about government, by the Apostle Paul, which can almost be said to be unfortunate; the statement reads: *The powers that be are ordained of God* (Romans 13:1b). This text has resulted in much idolatry, patterned after the idolatry of Ferdinand Lassalle, the German socialist agitator and cordially hated “competitor” of Karl Marx, who said: *The state is God*. Unless Paul’s text, “The powers that be are of God,” is interpreted differently from Lassalle’s remark, “the state is God,” the Christian religion is perverted into gross idolatry. That is the way, however, that Paul’s text is frequently interpreted! But the text, interpreted *in its context*, makes clear that there is a qualification to the statement, namely, that that state (which is said to be “of God”) rewards the good and punishes the evil (see verses 3-6). In other words, the state is “of God” when and only when it rewards the good and punishes the evil. If, contrarily, the state must always be obeyed, then there can be no question about it, the state *is* God.

Calhoun was not so naive as to accept the idea that *all* governments are of God, although he has in the preceding long quotation the dubious statement: “Constitution is a contrivance of man, while government is of divine ordination.” Why the distinction?

Calhoun is writing an essay on government and he finally ends up with the idea that a government cannot be good unless it is restricted to its proper functions by something that frustrates it from doing evil, namely, a *constitution*.

People are proud that they live under a constitutional government. They are, in other words, proud that they have means of frustrating that institution (the government) of "divine ordination." If the instrument to accomplish that is a constitution, then it is a wonderful thing to keep a government from doing evil. But what if a constitution does not exist, or what if it is flouted, or what if it is perverted (as the constitution of the United States is perverted at the present time), is there no other legitimate tool than a "constitution" to resist evil perpetrated by a government? What about open rebellion — as the American colonies against Great Britain, or the Provinces of the Low Countries against Spain? If a constitution may properly restrain a government, so may other tools or agencies do so.

Calhoun fails to assign a good reason why government is "of God," and constitution (which is presumably above government) is only of men. The preferable view, it seems to us, is that governments and constitutions are equally of men.

God does not enter into the picture (if we may use that figure of speech) except as a declarer of *principles* of government. A government following moral principles can for all practical purposes be considered to be "of God." Rebellion against such a government would be unwise and pointless. But even a "good" man might rebel, become king in place of the man he ousted, and then continue the government according to the same moral principles as the predecessor. An identification of a specific government with the government of God is, it seems to us, open to critique. But what is not open to critique is that a government, operating according to the *principles* of the moral law declared by that God, can genuinely be said to be "of God."

What has always appeared so illogical and impractical to us is the proposition by Christian political thinkers that a government is "of God" but that they also believe in constitutions. If a government is "of God," then there need be no constitution to protect people from that agency of God. The idea of a "constitution" essentially negates the idea that a government (that is, a *specific* government) is "of God." In our thinking both governments *and* constitutions are "of the people"; neither is "of God" in the naive sense.

We would have preferred it if Calhoun had reversed the statement so that it would read: "Government is a contrivance of man, while constitution is of divine ordination." But that is not satisfactory either, because a constitution, as well as a government, can be contrary to the principles of the moral law of God.

But the main thrust of the foregoing quotation from Calhoun is, we believe, indisputably right, to wit, (1) governments need constitutions to restrain them; (2) the constitution must not weaken a government, because a government must provide against external danger and internal disorder, and (3) the great difficulty is properly to restrain a government from evil without making it too weak to be effective. The problem is just that — the balance between power and responsibility.

### The American "Tax-Consuming Interest"

The Democratic Party had its representative in the presidency of the United States from 1932 through 1952. Then the Republicans elected their candidate and he has occupied the position of Chief Executive of the United States since then.

In the Democratic administrations, from 1932 to 1952, a huge bureaucracy was built up. That bureaucracy continued *practically unchanged* into the new Republican administration. It appears now that any president will be almost the puppet of this bureaucracy rather than its head.

Calhoun had a prophetic insight into the nature of the executive department of a government, which he outlined in the section of his *A Disquisition on Government* which describes the British Constitution. This section, which reads as follows, is singularly applicable to the United States at the present time (pages 75-78):

The origin and character of the British government are so well known that a very brief sketch, with the object in view, will suffice.

The causes which ultimately molded it into its present form commenced with the Norman Conquest. This introduced the feudal system and with its necessary appendages — a hereditary monarchy and nobility; the former in the line of the chief who led the invading army,

and the latter that of his distinguished followers. They became his feudatories. The country—both land and people (the latter as serfs)—was divided between them. Conflicts soon followed between the monarch and the nobles—as must ever be the case under such systems. They were followed, in the progress of events, by efforts on the part both of monarchs and nobles to conciliate the favor of the people. They, in consequence, gradually rose to power. At every step of their ascent they became more important — and were more and more courted — until at length their influence was so sensibly felt that they were summoned to attend the meeting of the parliament by delegates, not, however, as an estate of the realm or constituent member of the body politic.

\* \* \*

As it now stands, the realm consists of three estates: the king, the lords temporal and spiritual, and the commons. The parliament is the grand council. It possesses the supreme power. It enacts laws by the concurring assent of the lords and commons — subject to the approval of the king. The executive power is vested in the monarch, who is regarded as constituting the first estate. Although irresponsible himself, he can only act through responsible ministers and agents. They are responsible to the other estates — to the lords as constituting the high court before whom all the servants of the crown may be tried for malpractices and crimes against the realm or official delinquencies and to the commons as possessing the impeaching power and constituting the grand inquest of the kingdom. These provisions, with their legislative powers — especially that of withholding supplies — give them a controlling influence on the executive department and virtually a participation in its power — so that the acts of the government, throughout its entire range, may be fairly considered as the result of the concurrent and joint action of the three estates — and, as these embrace all the orders, of concurrent and joint action of the estates of the realm.

He would take an imperfect and false view of the subject who should consider the king in his mere individual character, or even as the head of the royal family—as constituting an estate. Regarded in either light, so far from deserving to be considered as the First Estate and the head of the realm, as he is, he would represent an interest too inconsiderable to be an object of special protection. Instead of this, he represents what in reality is habitually and naturally the most powerful interest, all things considered, under every form of government in all civilized communities — *the tax-consuming interest* or, more broadly, the great interest which necessarily grows out of the action of the government, be its form what it may — *the interest that lives by the government*. It is composed of the recipients of its honors and emoluments and may be properly called the government interest or party — in contradistinction to the rest of the community, or (as they may be properly called) the people or commons. The one comprehends all who are supported by the government, and the other all who support the government; and it is only because the former are strongest, all things being considered, that they are enabled to retain for any considerable time advantages so great and commanding.

This great and predominant interest is naturally represented by a single head. For it is impossible, without being so represented, to distribute the honors and emoluments of the government among those who compose it without producing discord and conflict; and it is only by preventing these that advantages so tempting can be long retained. And hence the strong tendency of this great interest to the monarchical form — that is, to be represented by a single individual. On the contrary, the antagonistic interest, that which supports the government, has the opposite tendency — a tendency to be represented by many, because a large assembly can better judge than one individual or a few what burdens the community can bear and how it can be most equally distributed and easily collected.

In the British government, the king constitutes an Estate, because he is the head and representative of this great interest. He is the conduit through which all the honors and emoluments of the government flow, while the House of Commons, according to the theory of government, is the head and representative of the opposite — the great taxpaying interest by which the government is supported.

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Between these great interests there is necessarily a constant and strong tendency to conflict, which, if not counteracted, must end in violence and an appeal to force, to be followed by revolution, as has been explained. To prevent this the House of Lords, as one of the Estates of the realm, is interposed and constitutes the conservative power of the government. It consists, in fact, of that portion of the community who are the principal recipients of the honors, emoluments, and other advantages derived from the government, and whose condition cannot be improved, but must be made worse by the triumph of either of the conflicting Estates over the other; and hence it is opposed to the ascendancy of either and in favor of preserving the equilibrium between them.

In the United States the bureaucracy in Washington has become in a special sense *the tax-consuming interest*, or the interest that *lives by the government*. Having come to be significant and powerful, it will not be easily restricted. This *tax-consuming interest* is sure to continue to exist whether the government be Democratic or Republican. It continued to exist beyond the administrations of Franklin Roosevelt and Harry Truman. It will probably continue to exist beyond the administration of Dwight Eisenhower. As Calhoun says: it "represents what in reality is habitually and naturally the most powerful interest . . . under every form of government."

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