

Progressive Calvinism

Volume III

1957

**HARMONY OF MORALITY
AND ECONOMICS**

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**366 East 166th Street
South Holland, Illinois**

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- 1 Copyright year should be 1957.
- 74 Second paragraph, first word should be *Einstein*.
- 169 Third paragraph, last line, second word should be *denied*.
- 252 Fourth paragraph, third line, seventh word should be *humiliating*.

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NUMBER 1

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Introduction To Volume III Of Progressive Calvinism

With this issue we begin the third year of PROGRESSIVE CALVINISM, a monthly devoted to an examination of modern Calvinism (or more broadly, Christianity) in the field of ethics.

This publication is published by avowed Calvinists. However, it looks inward rather than outward; by that we mean that it is not disposed to criticize the "world" first and the church second, but to employ the reverse order; it begins with the church.

There must be a cause why the church today has a declining significance. The poor repute of the church in the world is undoubtedly the church's own fault.

This publication holds that the modern church has become sanctimonious, unscriptural and illogical in its ethical doctrine, and lax in its discipline. It believes that the modern church in the field of ethics lacks intellectual respectability and is a matter of amusement to some and of indifference to many. It believes also that the ethics of the church have become unhinged from *genuine* modern social science; (the modern church gets, it is acknowledged, extensive support from some economists and social scientists, but they are men who teach obvious fallacies or dress up old fallacies in a new technical jargon which impresses the public; (1) those fallacies have long ago been refuted by plain logic, and (2) they are daily being discredited by experience).

This publication believes that the principles underlying the ethics of the modern Christian church are the same principles that underlie the ethics of socialism, and consequently (by proper extension) the ethics of communism. Obviously, there must be confusion somewhere — among either the church members or the socialists-communists. This publication has concluded that the worse confusion exists among the church members. Instead of being an agency for good in the "world," the church has become a saltless salt, or is positively on the wrong side.

These remarks do not apply to every church or every church member. But they apply to many.

The publishers of PROGRESSIVE CALVINISM are members of a conservative and arrogant* protestant denomination, Reformed in doctrine and Presbyterian in government, of Dutch origin, and with approximately 175,000 members. Its name is: The Christian Reformed Church. The founders of this publication know more or less what the trend is in this denomination. What is developing is considered by the founders to be in the direction of the deterioration of true religion. However, what is developing is not something unique, but something that is typical. Events in this denomination can be used to illustrate general problems, and that is this publication's policy.

Although a publication by members of a Calvinist church, PROGRESSIVE CALVINISM does not operate significantly in the field of doctrinal differences, that is, in the field of *theology*, with the purpose of making converts to the Reformed (Calvinist) interpretation of Christianity. If and when it covers *theology* it does so merely to show what it considers to be an illogical or indefensible phase within Reformed theology. This publication does not have the objective of criticizing Arminianism, or Lutheranism, or Catholicism or other manifestations of Christianity. Adherents of these other faiths need not be apprehensive concerning criticism of their theology and ethics, except in so far as such theology and ethics are subject to the same deficiencies by which Reformed (Calvinist) theology and ethics are considered to be blemished. This publication is not working at taking splinters out of the eyes of other faiths; it is working on the beam in its own eye.

It should also be noted that PROGRESSIVE CALVINISM may refer to a denomination when it really refers only to some members of that denomination. The answers to many modern problems are not "spelled out" in the ancient church standards still in use. In a sense, then, the denominations do not have a specific answer to a modern problem, for example, unionism, "discrimination" or socialism. When a church name is used for the sake of simplicity of sentence structure, the real reference will often be to the prevailing thought in the church as reflected in unchallenged ideas in a magazine, a speech, in reports on group meetings, or in a book. If these ideas have hitherto not been challenged by anyone in the

*It also has the corollary, a serious inferiority complex.

denomination, but are obviously tolerated, no significant mistake is made when those ideas are considered to be "accepted" in a particular denomination.

A completely different approach could be made by this publication. It might change its policy and begin by berating the world for not accepting Christianity, or not accepting one of its branches: Calvinism. It might declare that the problem is the world and not the church. There are enough publications doing that, and so there is no good reason to duplicate the effort.

Although critical of ideas prevailing in churches, this publication is, it should be understood, not a hostile critic but a well-intentioned one. Well-intentioned criticism may be evaluated to be such only if it is general and never specific. This publication lacks confidence in generalities. It refers to men and to cases.

PROGRESSIVE CALVINISM calls attention to what everyone can see as if it were posted on a spectacular electric sign, to wit: *the influence of the church is steadily waning*. If this trend is to be arrested and if an improvement is to be accomplished, the church must of necessity begin with reforming and improving itself. fn

Morality And Personal Conduct Versus Morality And The Socio-Economic Order

Scripture almost entirely relates morality to personal conduct. In PROGRESSIVE CALVINISM we are disposed to do the same thing.

But morality can also be considered to be significantly related to the socio-economic structure. The modern churches have moved in that direction. Currently, among members of the Christian Reformed church, there is considerable discussion about "corporate responsibility." The morality taught in many denominations is no longer primarily personal morality but group morality. The principles of morality are applied to society as a whole or to groups in society. This *group* approach to morality represents, we believe, a deterioration.

The explanation of this trend in appraising morality is partly to be found in the harmful influence of modern sociology; the

concepts with which sociology deals are mostly group concepts. This drift away from individualism in morality and away from scriptural emphases will eventually have gravely undesirable effects.

Modern economists are in this respect somewhat like the modern church. Economists also usually emphasize the "economic order" rather than personal morality. How is morality related to the "economic order"? Is group morality distinct and different from individual morality?

In this issue we are accommodating ourselves to the modern way of thinking. We are here considering the application of the principles of morality to the socio-economic structure. fn

Is The Economic Order Properly Based On Neighborly Love?

The term *economic order* is here used to mean the way that society is organized for the production and distribution of goods. We are concerned about the principles that underlie that economic organization.

The economic order can be socialist, syndicalist, capitalist or interventionist.* It can provide a large measure of freedom or very little freedom.

The economic order can be appraised *rationalistically* in the sense that one kind of economic order yields more goods and prosperity than another kind of economic order. Economists are disposed to appraise the economic order favorably when it gives greater general prosperity or happiness than some other economic order. The answers, of course, vary: some economists favor capitalism; others favor syndicalism; others favor socialism; still others favor interventionism. The answers are of all shades and degrees.

People with a religious bent do not rest with such a rationalistic approach to the question of the economic order; they ask: is the economic order properly based on the scriptural law of brotherly or neighborly love?

*For meaning of terms, see June 1955 PROGRESSIVE CALVINISM, pages 152 ff.

Unfortunately, the answer must be partly negative. The economic order, logically, is based on part of the law of brotherly love, but not the whole of it.

In 1955 issues (February, March, April and May) of PROGRESSIVE CALVINISM the law of brotherly (or neighborly; the terms are here used interchangeably) love was defined as follows:

1. Doing no harm to the neighbor.
2. Showing forbearance and forgiveness.
3. Exercising charity.
4. Proclaiming the gospel.

The law of brotherly love cannot be more than this and still be in harmony with Scripture. This is however still a broad definition, although narrower than sanctimonious definitions of the law of brotherly love, which consider legitimate self-interest sinful and require a man to love his neighbor more than himself.

The original general question can now be formulated more specifically: is the economic order founded on *all* the parts of the foregoing definition of brotherly love?

The answers here given are in the reverse order in the foregoing list.

I

The *economic order*, any reasonable man will concur, is not the proper agency for the proclamation of the gospel. That, at least, immediately justifies the conclusion that the economic order cannot be used to manifest the *whole* definition of brotherly or neighborly love. In that sense the economic order is not based on the law of brotherly love.

II

The *economic order*, most people will also agree after some reflection, is not properly organized if its basic principle is *charity*.

Charity disregards merit. It is a response to a situation, especially emergencies. In contrast, a rational economic order must be based on solid merit. The chain of events in accordance with which the economic order is based on merit is as follows: (1) A

man knows his own needs far better than he knows the needs of others. (2) In protecting his own interests each man appraises other men's services and goods by comparisons, one with another. (3) He deals with whoever will do the most *for him*.

But if all his decisions were based on "charity", that is, based on what he *imagined* the needs of others to be in contrast to his sure *knowledge* of his own needs, then he would in each instance be making decisions where his information was far inferior and in many instances worthless.

Society cannot basically be founded on charity because people do not want others to make their decisions for them, which is exactly what happens in the case of charity. *A* knows his own needs better than he knows the needs of *B, C, D, E* and *F*. To found a society on charity involves, then, a decision to base it on relative ignorance rather than on knowledge.

Further, the free exchange of goods between men is not properly based on one man losing and the other man gaining, or on neither man gaining but both "breaking even." If that were the situation, there would be no inducement to exchange goods. Free exchange occurs only when both parties prefer to exchange rather than not to exchange. Neither may be fully happy about the terms of the exchange for him, but he is happier to exchange than not to exchange. Therefore, relatively he gains by exchange, that is, by cooperation. Such exchanges are in no sense based on charity.

Exchange occurs normally only when people decide and act on the basis of their own self-regarding interests. Occasionally, someone will over-pay or *vice versa* sell at a too-low price, *deliberately* in order to help the other party. But by whatever amount the price is made purposefully to deviate from what it would otherwise be, charity is being dispensed by one party to the other. Such transactions, being more or less inconsequential in the total of all transactions, are incidental to the *regular* economic order. Charity, in consequence, is limited to being a supplemental factor in the economic order. It should, indeed, never be more than that. Moses indicated that ten percent might be about right. However, we do not wish to make a strictly mathematical approach; "circumstances alter cases." It might properly sometimes be less than ten percent;

and it might properly at another time be considerably more than ten percent.

Let us assume for a moment that charity is (or could be) the general foundation of the economic order. Let us apply it in two cases. We here use the word *charity* in a special (very broad) sense, as a term contrary to *what is deserved on the basis of merit*.

A big corporation elects an incompetent man as its president. The affairs of the company then begin to deteriorate. The president should be discharged. But, someone may say, that would be unkind; show him brotherly love; keep him on as president; to fail to do that manifests a lack of charity. Show your brotherly love by giving him something beyond his deserts.

But that is sanctimony and is not legitimate charity. Charity, correctly defined, means that *A, at A's expense*, gives to *B* something for which *B* provides no equivalent. The moment that *A gives B* something that *B* does not deserve at *C and D's expense*, a compromised act has been perpetrated. This may look like a good deed relative to *B* but it must also look like an evil deed relative to *C and D*. Therefore, to retain a man as a company president who is unfit may appear to be charity, but it is not. What that man offers in exchange for his remuneration is inadequate. Everybody else will be injured by the false "charity" of keeping him on as president — the customers of the company, the employees of the company and the stockholders of the company. There is no ground to recommend the retention of the president on the ground of charity, because it is not genuine charity.

Or consider a factory employee. Let us assume that he has been employed all his life in a carriage factory. But people are buying automobiles and not carriages. The company making carriages should be discontinued; there is no purpose in making carriages which people do not want. But to do so means that this factory employee at 58 years of age will lose his job. He knows no work other than carriage making. In the name of charity some people may say that wood, steel and labor should continue to go into making unwanted carriages. But this also is *at the expense of other people*. What is wasted cannot be consumed in a form in which it is really wanted. What is being wasted on carriages can,

in a sense, be considered as a reduction in the number of automobiles which people do want.

Of course, if there is a sudden and distressing shift in demand, then employers, employees and everybody else will endeavor to cushion the shock for themselves and others. But nevertheless there *must* be an adjustment to reality. Usually, the more promptly the adjustment is made, the better; the more "charity" in such situations beyond a limited point, the greater probability that a mistake is being made.

To *insist* on charity as the basis for the economic order involves a positive violation of the Second Table of the Law of Moses. *Coerced charity*, that is, charity which is made compulsory as a by-product of the economic order,* violates at least two of the Commandments, the Sixth (Thou shalt not kill) which is against coercion, and the Eighth (Thou shalt not steal) which must obviously cover theft by public acts as well as private thefts.

To insist that charity be compulsory, or may piously be made compulsory by some economic order for society, is to pervert the moral teaching of Scripture. Christian Reformed congregations commonly have a "budget." The budget covers only those expenditures in a congregation for which a member presumably gets "value received," such expenditures as for minister's salary, operating expenses of the church, etc. The contributions for *charity* are not put in the budget or considered obligatory. They are, instead, voluntary. There are no grounds for believing that the state has any *more-moral* grounds for *demanding* charity than the church has. For charity to be made obligatory by one man versus another man is to subvert what the Mosaic law teaches.

A reader familiar with Old Testament law may think there is an exception to this, namely, the Mosaic legislation forbidding the gleaning of the fields and vineyards, in order that such gleanings might be available to the poor. But this is not *A* leaving something for *B* at the expense of *C* and of *D*. In this case *A* was required to leave something for *B* at *A*'s own expense; it was his own field which was not to be gleaned by himself. This law proclaimed by Moses is a general rule from God to man. It is not one man coercing another.

*For example, progressive income taxation.

It is not being disputed that the law of brotherly love *individually* requires the exercise of charity. But the law of brotherly love *cannot* be extended to cover coerced collective charity.

Ordinary common sense is constantly being applied everywhere to eliminate *charity* from being a significant part of the economic order.

III

The *economic order*, most people will also agree, is not basically founded on *forebearance and forgiveness*.

The economic order is really founded on just the opposite. A man who by thrift has saved a thousand dollars does not loan it to another with the intent of "forgiving" the borrower the obligation and forebearing to ask repayment. Forebearance and forgiveness may enter into the situation in special cases, as in bankruptcy, but any forgiveness of this kind is involuntary and the bankrupt finds that his reputation has been permanently damaged.

In the economic order forebearance and forgiveness are usually exercised only for self-regarding reasons. Consideration will be shown, not because of affection, but because in the long run there will be a gain from the forebearance — as from a moratorium in the repayment of debts by a nonliquid debtor.

If forebearance were a basic principle in business, the more of it that is exercised, the better the economic order would be promoted. Actually, the basic policy of business must be just the reverse — not to promote occasions for exercising forebearance, but to promote the avoidance of the need of forebearance.

Further, if forebearance were a genuinely general principle underlying the economic order, merit and justice would be eliminated as a principle for controlling the economic order, in proportion as forebearance was applied. If forebearance were indeed a principle, then it should be considered good conduct to annul merit and justice by the complete overwhelming of them by forebearance. This is an absurdity to which no reasonable person will agree.

Forebearance and forgiveness, therefore, are as was the case with charity only supplemental factors in the basic organization of society.

IV

With what part of the law of brotherly love are we now left as a foundation for the economic order? With only that part of the law of brotherly love, which although difficult to perform, is the most important (except the gospel), namely, we are left with the proposition that the foundation for the economic order consists of the prohibitions in the Second Table of the Law (as defined in a restricted sense), especially Commandments Six (against violence); Eight (against theft); Nine (against fraud); and Ten (against covetousness). We are left with no more than this: *you may not harm your neighbor*. That is the foundation of society with the concrete resting on solid rock.

This obvious foundation should not blind anyone to what is an unavoidable and essential corollary to the commandments in the Second Table of the Decalogue, namely, *everything not prohibited is free*.

Life and happiness and welfare, viewed correctly, do not consist in being permitted to injure the neighbor. That is a perverted view. The fulness and richness of life in temporal matters must consist in the grand freedom which consists in being *permitted to do everything except what is wrong*. Attention should be fixated on what we may do, rather than on what we may not do. This is a definition of real freedom and not a definition resulting in narrowness of life or in unhappiness. (See February, March, April and May 1955 issues of PROGRESSIVE CALVINISM.)

We are reminded again of the great statement of Sallust of ancient Rome, quoted by Grotius in his *The Law Of War And Peace* (Chapter XV, page 79, Translation by S. M. Knight, Peace Book Company, 5 Goodwin Court, Martin's Lane, London, W. C. 2, 1939), our italics:

Our ancestors, most religious of men, took nothing from the vanquished *except liberty to do wrong*.

The Decalogue does no more. It takes away only the liberty to do wrong. Beyond that is a glorious freedom, if we can only see it, instead of fixating our attention on the prohibitions. Few people

are able to see that freedom because they have their eyes riveted to the prohibitions of the commandments and because they *constantly wish to help themselves*, contrary to the law of God, *at the expense of the neighbor*.

* * *

It is concluded, therefore, that the only foundation of the economic order is the Second Table of the Mosaic Law *strictly interpreted*, with its corollary *freedom*; which in turn is based on its corollary, *legitimate self-interest*; which in turn is based on its corollary, *merit*.

In the sense explained in the foregoing, we consider the economic order to have its proper foundation only on part of the Mosaic law of brotherly love.

fn

Men Orthodox On One Subject And Unorthodox On Another

A religion can be:

1. Wrong in its theology, and wrong in its ethics;
2. Wrong in its theology and right in its ethics;
3. Right in its theology, and wrong in its ethics;
4. Right in its theology, and right in its ethics.

By means of the foregoing classification emphasis can be laid on the fact that an individual or a denomination can be right in its theology, and nevertheless wrong in its ethics. That situation, it is believed, exists for some members of the Christian Reformed church.

Similarly, by means of the foregoing classification emphasis can be laid on the fact that an individual or a denomination can be wrong in its theology, and nevertheless right in its ethics. That situation, it is believed, exists (for example) in the case of Spiritual Mobilization, one of whose organizers is Dr. James W. Fifield, Jr., pastor of the large Congregational church in Los Angeles. Formerly, Dr. Fifield was a pastor of the East Side Congregational

church in Grand Rapids, Michigan, where those who learned to know him became aware of his great industry, organizing ability and practical soundness.

PROGRESSIVE CALVINISM agrees with the Christian Reformed church in regard to its theology; it disagrees with many members of that church in regard to ethics, morality, and the economic order. Further, PROGRESSIVE CALVINISM agrees with Dr. Fifield (for example) in ethics, morality and the economic order, but disagrees with him in regard to theology.

We would like to hold to the idea that if a man is sound in his theology he is also sound in his ethics; and *vice versa*, that if a man is unsound in his theology he must also be unsound in his ethics. But although that may be a tendency, it is most certainly not always the fact.

The situation in these matters is of vital importance in regard to the *Social Gospel*. On the Social Gospel (1) some of the members of the Christian Reformed church, (2) Spiritual Mobilization and (3) PROGRESSIVE CALVINISM are not agreed. The Social Gospel has its own theology and its own ethics. Here is the situation:

1. Some members of the Christian Reformed church oppose the Social Gospel because of its theology, but accept the ethics of the Social Gospel.
2. Spiritual Mobilization opposes the bad ethics of the Social Gospel, but accepts the theology of the Social Gospel.
3. PROGRESSIVE CALVINISM, in contrast to (1) and (2) foregoing, opposes the Social Gospel on two counts: it rejects *both* the ethics *and* the theology of the Social Gospel. In that sense we differ from Spiritual Mobilization and from some members of the Christian Reformed church, *both*.

This publication appraises any deviation of members of the Christian Reformed church toward the ethics of the Social Gospel to be as destructive as any deviation in theology would be.

When someone defends the Christian religion, what is he defending — its theology or its ethics? When someone attacks the Christian religion, what is he attacking — its theology or its ethics?

fn

The Contempt Of Economists For "Christianity"

The most distinguished (or at least, one of the most distinguished) living, native American economists holds the opinion, we are told, that *Christianity is the greatest evil in the world*. He may be right. It depends on what is meant by Christianity.

That economist, approaching social and economic questions as a trained technician, apparently observes two things:

1. That there are "Fundamentalist Christians" who concern themselves very much about a future life; they are so much interested in the future that they are somewhat indifferent about this world, the world with which economics is concerned. That appears to be nonsensical to that economist.

2. That there are "Social Gospel Christians" who concern themselves almost entirely with this life; but that economist knows that their Social Gospel program involves foolish and destructive economics.

How is that economist to judge Christianity in regard to practical, this-worldly matters, by the Fundamentalist tendency to be somewhat indifferent about this world, or by the destructive and foolish economic ideas of the social gospel?

That economist apparently holds the view that the Social Gospel generally represents Christianity today; after all, by far the majority of protestant clergymen in America favor the ethics of the Social Gospel; and some priests of the Catholic church do too. Therefore, so that economist apparently reasons, Christianity as an ethical system must be judged today in America by what the Social Gospel teaches, and not by what the Fundamentalists teach. Because Christianity is considered by him to be the Social Gospel, he concludes that Christianity is one of the greatest evils in the world.

We are in agreement with him, if (but only if) the Social Gospel is considered to be Christianity.

It is not reasonable to assume that that economist is an exception. Why should not other economists hold the same view of the Social Gospel and consequently of Christianity?

We are not personally acquainted with the economist whom we have described and our information is hearsay, although reliable. This we know personally: the qualified economists whom we do know generally identify Christianity — Protestant and Catholic — with the Social Gospel, and lack respect for Christianity because of its obvious ignorance and error in regard to a sound and benevolent social or economic order.

The Christian religion by its program of promoting the Social Gospel brings contempt and hatred upon itself. As the expression goes: "It has it coming to it." fn

Of What Do The Ethics Of The Social Gospel Consist?

If competent economists are contemptuous of the Christian religion, (1) because they consider the Social Gospel to be economic nonsense and iniquity, and (2) because they consider the Social Gospel to be synonymous with Christianity, then what is this Social Gospel, in its positive aspects, that is, in its ethics, which is the specific phase from which it takes its name?

Although space is lacking to expand on this subject at this time, we need a summary of what the Social Gospel really is.

In the first place it is not *the* Gospel. If it were, an addition would not be applied to the term, namely, Social.

The popular definition of the Social Gospel is that it seeks an earthly Kingdom of God. This earthly Kingdom of God involves certain economic and political ideas. In simplest language the Social Gospel, as a minimum, teaches a Welfare State. In actual practice, it is almost or entirely Socialist in its position. The Social Gospel, then, can be interpreted as being (1) a happy and prosperous community, made that way by such great brotherly love among men that they *voluntarily* sacrifice themselves for their neighbors (that is, love the neighbor more than themselves), or (2) a happy and prosperous community made that way by a presumably well-intentioned government which however *coerces* men through laws which redistribute the rewards of labor so that there

is substantial equality in the income of people, rather than an inequality which arises from variations in effort and in performance under equal laws.

Another way to define the Social Gospel is as a religion which believes that this life is more real and important now than is a future life, and that therefore the greatest merit will be in a *present* ideal Kingdom of God, here and now; not a future life.

But such definitions are too general for our purposes. Temporarily we need a definition which is more specific (although not an exhaustive definition). It is such an inbetween definition which is presented in what follows.

Further, because we are frankly critical and hostile to every phase of the Social Gospel we shall present our description of it in the form of an indictment. (Space is not available to append the supporting evidence.) Further, we are limiting our criticisms here to the ethical phases of the Social Gospel, because that is the really positive part of the Social Gospel.

Our indictment of the ethical phases of the Social Gospel is as follows:

- I. The Social Gospel is immoral; it is contrary to the Decalogue.
 - A. It does not reject as being in violation of the Sixth Commandment, certain forms of coercion, namely coercion required to accomplish an *alleged* good.
 - B. Its attitude toward the economic order is not founded on the idea that coveting (forbidden in the Tenth Commandment) is really sin.
 - C. Great services and thrift, sometimes resulting in considerable means, may properly be frustrated by Social Gospel legislation, that is, these characteristics may lead to undesirable social and economic conditions.
- II. The Social Gospel is naive, and consequently somewhat ridiculous.
 - A. It has a mistaken notion of economic reality.

1. It assumes that the *welfareshortage* in society is not a natural and general welfareshortage; but instead:
 2. It assumes that all poverty results not from natural causes, but solely from one man having too much and another man too little, which difference is the result of the first man exploiting the second man. It is assumed that to end the alleged exploitation will result in universal plenty and a complete ending of the *general welfareshortage*.
- B. It has a mistaken notion of the nature of man.
 1. It denies a universal *total depravity*. It accepts a total depravity only among those ruled, and not among those who rule.
 2. It assumes that politicians (those who rule) have a charisma from God, a direct pipe line of authority and inspiration.
 3. It imagines that the man placed at the apex of a government has the mental capacity to determine a general plan for society, that is, that *one* mind in a coercive society can do better than *all* minds cumulatively in a voluntary society. This is a greater folly than (1) and (2), and a greater sin because it is conscienceless arrogance toward God, or as the Greeks would have said, a *hubris*, an inexcusable pride.
- C. It has an uninformed notion of the nonpolitical phases of the structure of society. It considers competition to be warfare, whereas it is basically a system of co-operation; it considers freedom to mean chaos, whereas its own central planning has more defects than free, individual planning.

III. The Social Gospel is sanctimonious. It has an exaggerated notion of what is sin and grossly overstates what God requires of men.

A. It considers the pursuit of self-regarding interest, that is, looking out for yourself (without, however,

in any way exploiting the neighbor), as nevertheless being sin. Scripture does not, however, teach that self-interest itself is wicked, but only self-interest exercised at the expense of the neighbor, by means of coercion, fraud, theft, falsehood. This is an immeasurably more limited proposition.

- B. It teaches that *agape* love is required. *Agape* love is then defined as a God-like love. It has in itself no self-interest whatever. It is completely devoid of motivation relative to the self. To exercise *agape* love you must self-efface yourself. You no longer love your neighbor *as yourself*, because then the self would be the standard. *Agape* is above such a low standard.
- C. *Discrimination* is sin. To exercise choice is to prefer one to the other. To prefer one to the other is unbrotherly and unneighborly, and therefore discrimination — preference — is sin. You may not *really* prefer the good to the evil, the beautiful to the ugly, the wise to the foolish, the clean to the dirty, the true to the false, because if you prefer the good, beautiful, wise, clean and true to the evil, ugly, foolish, dirty and false you have not loved men who are more of the latter as you have loved those who are more of the former.
- D. The exercise of Biblical charity is not enough. In addition God is squeezed in as a link between the giver and the recipient. This is attempted by saying that the giver is a *steward*, which is true enough in itself. God is said to be the real owner, and then this primary ownership by God is indicated to require of every man that he be a redistributor rather than a possessor. Charity is now approximately ten percent; stewardship in a general way raises the percentage far higher. Stewardship is often only a vague term to cover covetous claims beyond specific charity.

- IV. The Social Gospel is ridiculous, because it is contrary-to-purpose. Instead of accomplishing the hoped-for end,

namely no welfare shortage, but general prosperity, it does just the opposite; it lowers general prosperity. Social Gospel societies (the welfare and socialist societies) are always poor, and bellicose and unfree; if they are not that to begin with they become poor, bellicose and tyrannical.

- A. A Social Gospel society does not permit maximum cooperation, because it regulates and frustrates exchanges; consequently men are poorer.
- B. It endeavors to nullify creational realities, namely, the differences in men, which differences if permitted to exist so that one would supplement the other naturally (that is, without coercion) would result in greater productivity. The able, industrious and thrifty who would naturally get more than others because they benefit society more are not considered by the Social Gospel to be entitled to retain their larger receipts; as stewards they must surrender enough to approximate equality for all.

V. The Social Gospel proposes arrangements between men which violate the teachings of Scripture.

- A. It teaches that Social Justice is evidenced by equality in the end result in men's lives, which can be accomplished only by unequal laws. To make men who are different and unequal to be alike and equal in the end is accomplishable only by having the laws bear differently on different men. This necessary inequality in laws to accomplish equality in the end result is repeatedly cursed in Scripture. Society must choose between equal laws and unequal results, or unequal laws and equal results. Scripture chooses the former; the Social Gospel, the latter.
- B. It exalts the State and society generally; the individual must submit to the state and conform to the group. It tends to violate individuality. The group takes precedence over the individual; not that "The State is God," but there is a trace of that thought in

the Social Gospel idea of society as the Kingdom of God.

VI. The Social Gospel suffers from hallucinations.

- A. The Social Gospel sets rules of morality which it believes can or should operate to neutralize economic law. It does not realize that economic *law* exists and is as real as *natural* laws. As natural laws are not nullifiable by legislation or by absurd statements on morality; so equally, economic *laws* are not nullified by legislation or by pronouncements on morality. The intellectual foundation of the Social Gospel is practically unmitigated ignorance of economic laws. The writings of every Social Gospel moralist with which we are acquainted gives evidence of such ignorance. Any structure allegedly based on morality but unrelated to and in conflict with natural and economic laws is not to be heeded.
- C. By authorizing the State to be tyrannical because of its assumed charisma, it destroys the autonomy of other *spheres* of life. There is no genuine sphere sovereignty (so-called) left, (or better stated) there is no individual liberty left.
- D. It authorizes the state to do by passing laws and by bureaucratic regulation what no individual personally may do, according to the Decalogue. This double standard of morality is extended to groups generally; as a corollary there is a general subordination of the individual to groups. This is a double standard of morality, namely, a group may do what an individual may not do.
- E. It authorizes compulsion to require the doing of good, rather than authorizes compulsion only to restrain evil. It thus undertakes to do more than God undertook with man, because He left man free, and considered only voluntary respect and affection to have merit.

F. It teaches that *social justice* is something superior to *justice*, and consequently that there can be a *righteousness* of the social gospel, achievable (only) by violation of scriptural justice.

PROGRESSIVE CALVINISM rejects all the foregoing ideas.

1. In the first place, they are tainted with sanctimony.
2. They require immeasurably more than the Christian religion requires.
3. They require the impossible of human nature. It is unrealistic to expect so much of men.
4. Under the guise of sanctimony, they involve violation of Commandments Six, Eight, Nine and Ten of the Second Table of the Law, and Commandment One in the First Table of the Law; in regard to the latter, the position and activities of God are usurped by men.

The Social Gospel does not have a single effective solution of social, economic and moral problems. It is a complete fabric of errors. The Social Gospel proposes principles for a social, political and economic order which are all erroneous. What it proposes is not only evil, but it neglects to find an available correct solution to the real problems of men in society.

Who hold to some or all of these Social Gospel ideas? Or, if they do not hold openly to these ideas, nevertheless (maybe unconsciously) hold to the underlying principles of the positive ethics of the Social Gospel? We shall mention only a few:

1. Karl Barth and Emil Brunner
2. Reinhold Niebuhr and Bishop G. Bromley Oxnam
3. The editors of the *Christian Century*
4. Bishop Anders Nygren of Sweden
5. The World Council of Churches
6. The editors of so-called Reformed magazines

7. Various Christian Reformed educators and theologians.

Some of these men may not subscribe to any of the *theology* of the Social Gospel; but they do subscribe to some or all of the *ethics* of the Social Gospel as defined in the foregoing; or at least their ideas can have no other foundation (in the form of undeclared premises) than the principles of the Social Gospel. fn

An Opportunity That Members Of The Christian Reformed Church* Have Bungled

The *social gospel* is in several respects one of the greatest evils in the world. It is destructive of the Christian religion and a disgrace to its name.

Nevertheless members of Calvinist churches have failed to fight this evil in Christendom by an understandable means that was at their disposal.

There are two grounds on which the social gospel could be discredited:

1. On the ground of what it more or less negatively teaches regarding the supernatural and eschatological; or
2. On the ground of what it positively teaches about morality and the social and economic order of society in the present world.

In regard to (1) — the supernatural and eschatological — everyone is dealing in a matter of faith. In regard to (2) — morality and the social and economic order — everyone is dealing not only with a matter of faith, but also equally with a matter of reason and a matter of experience.

Members of the Christian Reformed church have generally taken a position against the Social Gospel in regard to (1), and properly so. This subject, however, because it is a matter of *faith*, is not susceptible of proof, except by the interpretation (exegesis)

*The word *church* is used loosely here to mean the prevailing thought in the denomination.

of a book (namely, the Scriptures of the Old and New Testaments) which however does not have proof in itself that is *generally* accepted by men as evidence that it is trustworthy on those *supernatural* matters. To repeat, the supernatural and eschatological are not, according to the ideas of many, matters of logical proof but of faith.

Members of the Christian Reformed church have in regard to (2), to our knowledge, not gone on record that they disagree with the ethics of the Social Gospel. Instead, in these *positive* aspects of the Social Gospel — in regard to the very things which the Social Gospel itself considers really important — many have in fact accepted practically the whole of that Social Gospel.

What, now, is the great opportunity which members of Calvinist churches have lost in regard to the Social Gospel?

The positive content of the Social Gospel, that is, its ethical content, is false, on three counts:

1. It is contrary to the *teaching of Scripture*, a book which orthodox Calvinist churches consider to be authoritative and reliable.
2. It is contrary to *reason*, in the sense that it is contrary to the science of ethics and the science of economics.
3. It is contrary to (that is, it is discredited by) *experience*.

This, then, is the situation: many members of Calvinist churches have for all practical purposes espoused the positive (ethical) aspects of the Social Gospel. By doing that they became party to (a) misinterpreting Scripture, (b) neglecting reason, and (c) disregarding experience. On these three counts they could have proved the ethical teaching of the Social Gospel to be notoriously wrong. But they have not even attempted to do anything of the kind. If they had, they would probably have convinced men of several things, namely: not only that the Social Gospel is irrational (not logical) in its positive teaching; not only that the Social Gospel is destructive (contrary to experience) in its teaching; and not only that the Social Gospel is contrary to the

obvious teaching of Scripture, correctly understood; but they would have convinced men:

1. That in respect to its own positive teaching concerning ethics and economics (the two subjects in which the Social Gospel is especially interested) the Christian Reformed church was right and the Social Gospel was wrong; and
2. That, consequently from the fact which is mentioned in (1), it would have convinced other men that it was sensible to rely on the Christian Reformed interpretations, exegesis and acceptance of what Scripture teaches on the supernatural; and that, in contrast, there was less sense in relying on the skepticism of the Social Gospel regarding the supernatural and eschatological, *because that Social Gospel was so obviously and notoriously wrong in its interpretation of Scripture on ethical questions.*

When members of the Christian Reformed church failed to attack Social Gospel *ethics*, they by that very failure lost an opportunity to be effective champions of true religion in the larger sense.

Worse still, not only have they failed to attack the positive aspects of the Social Gospel (that is, its ethics), many members of the Christian Reformed church have accepted those Social Gospel ethics. We refer to a publication substantially based on Social Gospel ethics, to wit: some of the essays in *God-Centered Living*, a book which is being reviewed serially in PROGRESSIVE CALVINISM.

Tragedy is often accompanied by some comedy. That is true in this case, too. The Social Gospel in the "most-advanced" theological seminaries is already on the wane. The vanguard of the vanguard of modern religious thought is not much interested any more in the Social Gospel (the union of ethics and pseudo-economics) but is instead interested in the union of religion and psychology, or religion and personality, indicated by the expression, P and R. At this late date some in the Christian Reformed denomination of those who wish to be very modern, thereby to relieve themselves of their inferiority complex, are steadily espousing ever more boldly the ethics of the Social Gospel. They are arriving in time to take over fully the ethics of the Social Gospel at the very

time that its internal disintegration is beginning to become manifest. They will openly accept the ethics of the Social Gospel in time to be left "holding the sack."

Under the circumstances there is only one proper conclusion possible: By being unfaithful to the teachings of Scripture, and by being neglectful of the basic science of economics, members of the Christian Reformed church have bungled the proper presentation of the ethical aspects of the true gospel over against the ethical aspects of the spurious Social Gospel.

Although members of the denomination have neglected Scripture and reason, they will not be able to neglect experience. In some of the articles in *God-Centered Living* the Social Gospel movement in the Christian Reformed church is "advancing" (should be retrogressing) to a position which will be its undoing; it will be espousing fully the ethics of the Social Gospel at the time that experience is proving that that gospel is self-destructive.

A marvelous opportunity to call attention to the ethical pre-eminence of Scripture has been lost. Instead, under confused leadership, the denomination is moving in the direction of an obvious exposure of its tardy imitation of the folly of the ethics of the Social Gospel. fn

Rev. Peter Van Tuinen And The Ethics Of The Social Gospel

The second chapter in *God-Centered Living Or Calvinism In Action* (The Baker Book House, Grand Rapids, Michigan, 1951) consists of an article by Rev. Peter Van Tuinen. This article covers a broad field. The title, "The Task of the Church for the Solution of Modern Problems," implies that the author proposes to consider the *whole* task of the church in regard to *all* modern problems.

Consideration will be given to the character of this comprehensive approach, and to what may be its merits and demerits.

Van Tuinen begins by making a basic distinction between churches; namely, they are (1) Fundamentalist and evangelical, or (2) Liberal and promoting the Social Gospel.

What Is Wrong With The Fundamentalists

The Fundamentalists are treated by Van Tuinen in the customary Reformed manner; with some condescension they are declared by Van Tuinen to be correct by and large in their evangelical and eschatological message; but Fundamentalism represents an "extreme" view of the relation of the church to the task of solving the world's problems, that is, of the relation of the church to the social, political and economic order.

Fundamentalism has a tendency, Van Tuinen declares, to define the task of the church as "*evangelism*, in the narrowest sense of the word." This "strongly individualist emphasis" is "not essential to the evangelical faith" but is said to be "rather peculiar to a movement within the evangelical group." These "evangelicals believe the kingdom of God has only future reality, and they regard the present world as pretty much in the hands of the devil." The implication that it might be naive to believe that the present world is "pretty much in the hands of the devil" sounds strange, coming from a preacher in a Reformed denomination which subscribes to Article XV of the *Belgic Confession of Faith* — which testifies concerning Original Sin; or Paragraph Four in the Rejection of Errors in the Third-Fourth Heads of Doctrine in the *Canons of Dort* where the following is rejected:

Who teach: That the unregenerate man is not really nor utterly dead in sin, nor destitute of all powers unto spiritual good, but that he can yet hunger and thirst after righteousness and life, and offer the sacrifice of a contrite and broken spirit, which is pleasing to God.

For these things are contrary to the express testimony of Scripture: . . .

Van Tuinen declares that the Fundamentalist view of the world is too pessimistic when it expects "that degeneration will go deeper and wider until the end, when the Lord will wipe it all out in one great act of judgment, and establish the kingdom." Do members of the Christian Reformed church generally declare that they believe differently from that expectation of the Fundamentalists?

Van Tuinen then declares that the Fundamentalist position is that "the church therefore has nothing to do with [the world's] problems." She needs only to preach the gospel "to rescue individuals from the fearful judgment of the world" and to convert them. That conversion is considered to be the solution of the world's problems.

Van Tuinen concurs with the Fundamentalist emphasis on the necessity of conversion because the wrong "relations of man to man are the outcome of a wrong relationship between man and God." But . . .

Van Tuinen then comes up with two reservations (page 34): (1) the Fundamentalist witness of redemption alone is not adequate; there must also be a "display of the righteousness of the gospel" in order to establish a "kingdom of God," and (2) "conversion does not in itself solve all problems."

On these subjects Van Tuinen writes (page 34):

The weakness of this [the fundamentalist] approach is twofold. First of all it tends to ignore the fact that the Christian witness is a witness of righteousness as well as of redemption. The witness of righteousness, like the witness of redemption, must be a display of the righteousness of the gospel, as well as a vocal testimony. The repentance which Jesus preached was a repentance with a view to the establishment of the kingdom of righteousness (Matt. 4:17; 6:33). Evangelical Christianity has too much been satisfied with calling men to repentance, neglecting thereupon to seek the application of the principles of the kingdom of God.

The second weakness of this approach is its failure to take into account the fact that conversion does not in itself solve all problems. It is correct, in case of industrial tension, for example, to ascribe the problem to the presence of sin, and to call the principals to repentance. But sin, ignorance, and misunderstanding continue to exist, even among converted people, and it is quite possible to conceive of labor problems even where the employer and

all the employees are Christian men. Conversion is only the beginning of the Christian life. At conversion there still remains the difficult task of learning to see and apply the principles of righteousness to the various aspects of daily life and to the several relationships with others. Preaching the Word unto sanctification, as well as preaching it unto conversion, belongs to the task of the church.

With this criticism the Fundamentalists are practically dismissed by Van Tuinen.

The basic idea of Van Tuinen's criticism of Fundamentalism is that it lacks a this-worldly program for the promotion of a this-worldly "kingdom of righteousness." Fundamentalism does not go adequately beyond conversion; it does not have an adequate set of ideas to teach sanctification.

There is apparently a certain fundamental idea held by Van Tuinen which he calls the "righteousness of the gospel" which righteousness pertains to this life; he apparently believes that the Fundamentalists do not proclaim or display or understand this "righteousness of the gospel."

When an unusual term is used, or when the context reveals that a customary term has a special meaning, a reader is, or should be alerted. The term "righteousness of the gospel" is one of those unusual terms which should be examined. Readers can be certain that this is no ordinary term. What does the term, "righteousness of the gospel" mean?

I

In the first place from the context it is obvious that the term, "righteousness of the gospel" does not refer to salvation by grace, that is, a righteousness imputed to a man which will give him a *future* salvation. This "righteousness" is also not words or testimony, but human action. Van Tuinen writes: "the witness of righteousness . . . must be a *display* of the righteousness of the gospel. "Display" obviously means action.

II

The question immediately arises whether a convert of Fundamentalism is going to fail to "display" his conversion. Will he not

accept and endeavor to obey the Decalogue, the Law of God? Or is such a convert's adherence to the Decalogue not enough? Is there something *more* required than *personal* obedience to the Decalogue?

There may be some Fundamentalists of an anabaptist type who consider that a converted person is above or freed from obedience to the Law of God in this life. But these Fundamentalists are exceptions. The mass of Fundamentalist converts are required by Fundamentalist churches to conform to a Christian way of living, and that Christian way of living is considered to be necessary as the minimum circumstantial evidence of conversion. If there is no change of conduct, an alleged conversion is considered to be spurious. It is not correct to indicate that Fundamentalism lacks an adequate program of sanctification.

The Fundamentalists are, in fact, very exacting in regard to change in living habits, that is, in regard to sanctification in order to give evidence of conversion. They in some cases even prohibit all smoking and all drinking of alcoholic liquors.

Certainly it would seem to be incorrect to allege or imply that Fundamentalism fails to require of converts that they give a "display of the righteousness of the gospel." But that is exactly the deficiency of which Van Tuinen accuses Fundamentalism, as we have just quoted. Either this charge by Van Tuinen against Fundamentalism is false, or it has another meaning. We would, of course, be reluctant to believe that Van Tuinen has made an obviously false statement. Certainly, then his critique must have another meaning. That other meaning must be found for the expression the "righteousness of the gospel," of which righteousness Van Tuinen wants a "display" not provided by Fundamentalists. What must he have in mind?

The "righteousness of the gospel" obviously refers to (1) a concern about matters in this world; (2) group matters rather than individual matters, for example, employers versus employees, not considered so much as individuals but as types or classes; (3) the "structure" of society more than to individual action. The "Kingdom of God" is in this world and must be "displayed" here and now; but the whole structure of society, especially the economic

order needs redemption. That redemption of the structure of society is one of the tasks of the Christian church; this task goes beyond *personal* adherence to the Commandments. Group action and structural correction and redemption of society as a whole is necessary if the "Kingdom of righteousness" is to be displayed and accomplished.

We have concluded, therefore, that Van Tuinen is talking about a righteousness in the structure of society, and not *individual* adherence to the Decalogue, because Fundamentalism certainly does stress that and Van Tuinen is here pointing at something that Fundamentalism does not stress.

There can, therefore, be no reasonable doubt that Van Tuinen here refers to ideas of the kind that the social gospel proclaims. He refers to a righteousness of a structural *social* righteousness, a "Kingdom of God" in this world; and he coins the term "the righteousness of the gospel." A proper socio-economic structure will evince the "righteousness of the gospel."

Van Tuinen will be understood if a word he has omitted be inserted, so that the expression reads, "the righteousness of [a *social*] gospel."

The idea will be better understood in the full sentence:

The witness of righteousness, like the witness of redemption, must be a display of the righteousness of [a *social*] gospel, as well as a vocal testimony.

If Van Tuinen does not mean a future Kingdom of God, nor salvation by grace, nor personal righteousness, then what can he mean other than a righteousness beyond that, namely, a socio-economic righteousness?

We consider the criticism of Fundamentalism by Van Tuinen to be wholly inappropriate. Neither fundamentalism nor Calvinism nor any branch of the Christian religion needs the "righteousness of [a *social*] gospel," when the meaning must refer to a structural righteousness as for example, the program of the Social Gospel.

The basic morality of the prevailing Social Gospel cannot be reconciled with the morality of the Decalogue, as the most distin-

guished spokesman of the Social Gospel, Reinhold Niebuhr, of Union Theological Seminary in New York, has admitted in his book, *Moral Man and Immoral Society* (Charles Scribner's Sons, New York, 1952). Beginning with the very first sentence of the Introduction, he declares society may properly do what it would be immoral for a man to do. Such a structural righteousness is not for us the righteousness of the genuine gospel.

Such a structural righteousness so-called is in reality a damnable unrighteousness.

The first and an absolutely fatal step in the direction of the Social Gospel is to *assume* that there is any righteousness of any kind whatever other than *personal* righteousness. Van Tuinen takes that step boldly (1) by criticizing the Fundamentalists for restricting themselves to *personal* righteousness; (2) by condemning them for not having a set of rules for society which rules will go beyond personal righteousness; and (3) by designating his un-Biblical idea of a required group-righteousness by using a completely non-Biblical term, the "righteousness of the gospel" which term in his context can have no other meaning than something different from personal righteousness.

Obviously, Van Tuinen and PROGRESSIVE CALVINISM are poles apart. He calls for a supra-personal, a greater righteousness than that called for by the true Law of Brotherly Love. PROGRESSIVE CALVINISM, in contrast, denies that the social structure or the economic order is operated or should be operated according to the *whole* Law of Neighborly Love; instead, it declares that the social structure and the economic order can be and should be operated only on part of the Law of Neighborly Love; see the article "Is The Economic Order Properly Based on Neighborly Love?" beginning on page five of this issue.

PROGRESSIVE CALVINISM in this matter is unqualifiedly with the Fundamentalists. If they consider the principles of the Decalogue to be adequate both for the individual *and* society, so do we. If the Fundamentalists fail to appreciate some imaginary higher righteousness than personal obedience to the Law of God will give, so do we fail to appreciate that higher righteousness. We agree with the Fundamentalists that there is only *one* system of morality

— applicable unaltered to men and to institutions. We reject a dual system of morals, as proclaimed by Reinhold Niebuhr and the Social Gospel. The end result of such a dual system is that the "righteousness of the [social] gospel" is downright unrighteousness according to the Law of God.

This is no new idea in PROGRESSIVE CALVINISM: Its Fourth Declaration reads:

(a) *Promote a single rule of morality; and (b) reject a dual rule, namely, one rule for individuals and a conflicting rule for groups.*

Having noted that Van Tuinen wants a righteousness beyond personal righteousness, namely, a *social* righteousness, we are now prepared for the crucial question: Does Van Tuinen in any specific way indicate what his idea of social righteousness is, *and does his idea of social righteousness, or as he calls it, "the righteousness of the gospel" differ significantly from the righteousness of the social gospel as of Reinhold Niebuhr or the National Council of Churches, to which Van Tuinen constantly refers in his column in The Banner, a weekly published by the Christian Reformed church?* We shall answer that question in our next issue. fn

(to be continued in February 1957 issue)

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The World's Most Pernicious Evil

We continue in this issue an analysis of the greatest evil in the world, namely Christianity, if Christianity is the *social gospel*.

The *social gospel*, taught in many churches, is an evil fraught with more serious consequences for the world than prostitution, gambling, drunkenness, unionism or communism, bad as they may be.

Not only is the *social gospel* intrinsically a greater evil than "wine, women and song"; it has the additional disadvantage of being sanctimonious.

* * *

Readers know that we are in the process of reviewing selected essays in *God-Centered Living or Calvinism in Action*, a book published by the Calvinistic Action Committee, a self-appointed group with many members from the Christian Reformed church. See the October 1956 issue, page 298 and following.

We shall in this issue continue with part of our review of the Rev. Peter Van Tuinen's essay (in the aforementioned book) which has the impressive title, "Calvinism and the Task of the Church for the Solution of Modern Problems." See the January 1957 issue for the first instalment of this review. fn

Two Definitions Of Socialism

It is easy to look up the word *socialism* in a dictionary and to read what it says. For example, the unabridged Webster dictionary says:

socialism. A political and economic theory of social organization based on collective or governmental ownership and democratic management of the essential means of the production and distribution of goods; . . .

Such a definition basically defines socialism as a theory of "social organization." Then, secondly, it declares that socialism is that kind of organization for society which is based on "collective or

governmental ownership" of capital. The term, capital, refers to the "means of production and distribution."

In the foregoing definition three words are slipped in: "and democratic management." That part of the definition is false. The Webster dictionary has been subverted. Socialism never has and never can be founded on *democratic* management. But we shall not go into that now.

What we are interested in is an understandable and meaningful definition of socialism. The meaning of the term troubled us for years. If it will take as long for others to be sure in their minds what *socialism* means as it has taken us, then most people do not yet have a genuine and sure definition. We shall briefly outline the process by which *we* have learned somewhat what socialism really is.

We began with the idea that socialism is equality of income and property; nobody rich and nobody poor any more; everybody equal in material income and goods.

In a limited way the definition is indicative. Socialism does, allegedly, aim at equality of income. But experience shows that in socialistic societies, and there are several of them, there is no greater equality of income than in capitalist societies. It is said that in Russia, which describes itself as a group of socialist republics, extremes in income from high to low exceed extremes in income in the United States. In a socialist society the high incomes go to those who have political power and their hangers-on. In a capitalist society the high incomes go to those in key business positions and especially to those who own much capital.

We have abandoned the idea that socialism genuinely provides equality of income.

(We cannot forbear to mention what needs to be repeated, namely, that if income is to be equal, laws must be designed to bear unequally on people. If Jones and Smith, whom God made differently, are to be made equal in income (or in anything else) then the law must be such that it will bear harder on one than the other. There can no longer be *general* laws; not even the Deca-

logue can have *general* validity in a society which is genuinely socialistic. That, by the way, is exactly what the shrewdest leaders of the social gospel have come to understand. See the following article.)

Secondly, we have abandoned the idea that in a socialist society there will no longer be any rich or poor. We once assumed that in a socialist society everybody could be comfortable, that is, neither rich nor poor, as that remarkable but easily misinterpreted prayer in Scripture requests, "Give me neither poverty nor riches; Feed me with the food that is needful for me: Lest I be full, and deny *thee*, and say, Who is Jehovah? Or lest I be poor, and steal, and use profanely the name of my God" (Proverbs 30:8b-9). Equality at one time implied, to our naive mind, *general* comfort; the poor would come up as much as the rich came down; *therefore*, so we reasoned, the prosperity situation would be medium. But we have concluded that that is a grave error. If the wealth of the world is equally divided among people throughout the world, there will be, it is true, no rich any more. But everybody will still be poor. The wealth of the few is not great enough to have much effect if spread widely. Furthermore, coercive equalization of wealth and income invariably results in the decumulation of *total* wealth. Equality, therefore, now means (and *always* will mean) poverty, and not intermediate comfort. This is something we plan to expand on at another time.

With the passing of time we did more reading about socialism, and we believe that we were able to improve our definition; we concluded that socialism is primarily the denial of the right to an *unearned* income.

An *unearned* income is an income from property, from investments. If property — land, factories, stores, etc., are collectively owned or are owned by the government, then you as an individual will not be permitted to own property and consequently you will not be able to collect an *unearned* income. Your wage or salary may be relatively large or small, but there will not be an inequality between you and others *because* you are receiving an unearned income and they are not.

And so we realized that it was the unearned income, and the inequalities arising from the variations in unearned income which was a "rock of offense" to socialists. We also learned that socialists will grant the propriety of some or even considerable variation in the *earned* (wages and salaries) income, provided there is no *unearned* income. Their venom, covetousness, is directed against the free market "distribution" of income, which type of distribution inevitably provides some unearned income to some people.

(By *distribution* of income is not meant the delivery of goods to consumers, but the size of the share that each gets of society's total income.)

We stayed with that idea for some time, but were surprised to discover that socialism involves another idea altogether different.

Socialism, we learned, is not merely a theory on the distribution of income or wealth among individuals (as just explained), but it is also *a method of organizing society for the production of goods*.

There are many ways "to organize" for producing goods, but in this case "to organize" refers to one of two basic methods. The two methods are:

1. A voluntary system (not centrally planned, but a free market); or
2. A coercive system (*dirigisme*), a controlled economy.

Men in society can cooperate *voluntarily*, and then you can have a *free* society. Or men in society can be forced to coordinate, regardless of their personal wishes, in the production of goods, and then you have a *coercive* society. Capitalist societies are free societies. Socialist societies are coercive societies. This develops inescapably from the principles which determine them.

It was *that* idea, that socialism pertained to the *economic order*, that is, it pertained to a *method of organizing* men in society, as well as to the distribution of the goods produced, which enlarged our definition of what socialism is. For us, today, then socialism is:

1. A *coercive* system of production, and
2. A system of distribution denying any place whatever to *unearned* income.

Socialism in the first sense is a violation of the Sixth Commandment, which forbids coercion; in the second sense it is a violation of the Eighth and Tenth Commandments.

PROGRESSIVE CALVINISM has been published for more than two years. We have omitted thus far reference to that phase of socialism which pertains to the distribution of income, that is, to the question of *unearned* income. In regard to that phase of socialism which pertains to the "organization of production" we have declared:

1. That we are unalterably opposed to all coercion (except the coercion to restrain evil, with evil defined as in Scripture). We believe Moses taught noncoercion, noninjury of the neighbor, freedom and voluntary cooperation. And we believe that Christ in the New Testament taught exactly the same thing in positive terms, to wit, meekness and gentleness and cooperation. A socialist society is coercive, and because it is coercive it is contrary to Scripture.
2. Therefore, that we are against coercion as manifested by:
 - a. coercive unions;
 - b. coercive business, as monopolies;
 - c. coercive governments whose acts are excused or tolerated on the ground that that government is one of the "powers that be";
 - d. sanctimonious definitions of love which substitute a *moral coercion* demanding the doing of certain things, which are so unattainable that they can be described as unreasonable and sanctimonious.

The foregoing can be summarized as follows. There are three kinds of socialists.

1. Firstly, there are socialists who limit their socialism to endeavoring to equalize incomes by basically denying and eliminating the right to an *unearned* income. But, otherwise, they are capitalistic in their thinking; they wish society to be "organized" on a capitalistic basis *for production purposes*. In this sense the late Henry Simons of the University of Chicago was a "socialist." He was, and many of his students are, passionately sincere in favor of a free enterprise *organization* of society but, once having obtained high production by that type of organization, he then wished to equalize the income by steeply progressive taxation. Men of this type are socialists in *one* sense only, in the field known in economics as "distribution." Socialism of this type appeals to greed and covetousness.

2. Secondly, there are socialists who emphasize in their socialism a method of organizing society, but who do not sincerely object to inequality of income. Many socialist *bureaucrats* are in this group. They wish to "organize" production by telling people what to do, by sitting on government boards, by issuing regulations, and by passing laws. Inevitably, they are subjected to the temptations accompanying power. They have advance information on "plans"; they can gain personal advantage from using that information. Others who realize the bureaucrats' possession of inside knowledge are willing to pay for advance information, that is, pay bribe money, or in a more refined way, supply refrigerators or mink coats or entertainment, etc.

The *big* incomes in Russia go to the top brass in the hierarchy and to the members of the party. However, in general the professional socialists are in it primarily for power and only incidentally for self. As a by-product of power they actually enjoy an inequality of income, but what they adamantly insist on is that the "organization" of society be controlled by themselves. Socialism of this type appeals to the propensity toward coercion.

3. Then there is the third class of socialists. They are the advocates of the social gospel, the parlor pinks, and some of the college faculty members. They are the socialists who genuinely believe in *both* phases of socialism: (a) they believe in a centrally planned, controlled and coercive society, and (b) they also want equality of income and the elimination of unearned income. These men are the socialist theorists.

fn

What Is The Social Gospel? (A Definition From The Viewpoint Of Scripture)

The *social gospel* may be defined as proposals for the political, social and economic organization of society, based on principles of morality which are considered (1) not to be applicable to individuals, but (2) are applicable to men acting collectively, that is, in a group, and specifically acting as citizens of a State. The social gospel is not a system of morality for individualism but for collectivism. The social gospel makes a sociological approach. Group and class relations are considered and not individual relations.

Whereas Fundamentalism may be considered to be the doctrine of salvation by grace for an individual in this life and for the life to come, the social gospel may be considered to be the salvation of society (1) by the exercise of power by the State, or (2) by the application by the individual of different principles of morality than would prevail if a man were dealing only as an individual with other men.

There are all kinds of brands of social gospels. But the essential characteristic of any social gospel is that it operates on principles different from the Second Table of the Law of Moses. No social gospel can be founded on grace based on the vicarious merits of Christ; nor can any social gospel be founded on the Mosaic law of ethical conduct; instead any social gospel must be founded on an alleged doctrine of love which (1) pretends that it is a God-like love (*agape*) by men toward their fellow men, but which (2) under that pretense positively violates the Mosaic Law of ethical conduct (theft, covetousness and violence).

The road by which this basis for a social gospel is reached is obvious. Step (1) consists in the abandonment of the Second Table of the Law of Moses; step (2) consists in an exaggerated definition of neighborly love allegedly (but falsely) based on the New Testament; step (3) consists in covering up the violation of the Law of Moses under the guise of legality and a God-given authority of the State.

In 1952 the famous American theologian, Reinhold Niebuhr published his infamous *Moral Man and Immoral Society* (Charles Scribners' Sons, New York). This is probably the most immoral book published in 1952.

Niebuhr has since declared that he is no longer responsible for what he has published in the past. We are not declaring therefore that ideas in this book represent Niebuhr's *present* ideas; we do not know what his disclaimer covers, and a man is certainly entitled to change his opinions; all sensible men do from time to time as their information or wisdom increases.

The first sentence in Niebuhr's *Introduction* to this book, page xi reads as follows (our italics):

The thesis to be elaborated in these pages is that *a sharp distinction must be drawn between the moral and social behaviour of individuals and social groups*, national, racial and economic; and that *this distinction justifies and necessitates political policies which a purely individualistic ethic must always find embarrassing*. The title "Moral Man and Immoral Society" suggests the intended distinction too unqualifiedly, but it is nevertheless a fair indication of the argument to which the following pages are devoted.

What does the foregoing say in plain but general language? It declares this simple idea: there is a totally different moral law for society than the moral law that exists for individuals. Society may do what the individuals may not do. In other words, the *social gospel* is not under the law of the Decalogue; only individuals are under the law. Society may do what would be "embarrassing" (says Niebuhr) for an individual. "Embarrassing" in this context means morally indefensible. If this *law for society* is not based on the Mosaic Law, but is in violation of it, on what other moral law is it founded? Whoever correctly answers that question has answered what the *social gospel* is.

The *social gospel* in other words is something positively contrary to the Mosaic Law. *That* is the simple and basic proposition in Niebuhr's book, *Moral Man and Immoral Society*. Niebuhr does

not condemn such an immoral society. He demands just such an immoral society. This is his proposition: such a *society* is properly considered to be immoral from the standpoint of *individual* ethics (the Mosaic Law) but it is not immoral from the viewpoint of society as a whole. What Niebuhr admits is immoral for society to do *from the viewpoint of the Mosaic Law* (the law for *individuals*) is exactly what Niebuhr wants approved for society as a whole. *That* is his social gospel, his gospel for society. And *that* is what every *social* gospel must be no matter who teaches it.

Niebuhr advocates, and publishes his book in defense of the idea that: *man as a citizen may and should do collectively, especially through the instrumentality of the State (but also through such organizations as the labor unions) what would be positively immoral for him to do as an individual.*

Niebuhr is a man of extraordinary abilities and is more honest than most theologians. He has come to see that his social gospel, [in fact, any social gospel] in order to be a *social* gospel, *cannot* be the individualistic gospel of Scriptures. Many who advocate a social gospel do not realize that, and possibly some, who are astute enough to realize that, are not honest enough to admit that any and every social gospel must be based on some other basis than individual morality as outlined in the Scriptures.

The social gospel of the World Council of Churches is essentially the social gospel of Niebuhr. As the social gospel of Niebuhr so the social gospel of the World Council of Churches is contrary to the morality for individuals which is taught in Scripture; Niebuhr is probably the chief "brain trust" for the World Council of Churches.

In the Christian Reformed church, if there are members who teach a social gospel, it may be assumed that they do not realize that their social gospel is and cannot be reconciled with Scripture. They will either be less lucid in their thoughts or less candid in their statements than Niebuhr, so that they will not declare their social gospel is contrary to Scripture, as Niebuhr admits his is, but they will declare that *their* social gospel *is* based on Scripture.

PROGRESSIVE CALVINISM is an unalterable enemy of *any* social gospel. We have no truck with any brand of a social gospel. We

consider any social gospel to be accursed by God, because of declarations made in Scripture.

Scripture admonishes against any addition or subtraction from what it teaches. Moses wrote in Deuteronomy 4:1-2 (our italics):

And now, O Israel, hearken unto the statutes and unto the ordinances, which I teach you, to do them; that ye may live, and go in and possess the land which Jehovah, the God of your fathers, giveth you. *Ye shall not add unto the word which I command you, neither shall ye diminish from it*, that ye may keep the commandments of Jehovah your God which I command you.

Every social gospel "adds" to the words commanded by Moses, and every social gospel "diminishes" from the words commanded by Moses.

The crucial question, therefore, in regard to any social gospel occurs at the very beginning: does anyone advocate a social gospel at all, because to advocate it is to be in conflict with Scripture.

fn

The Kinds Of Income

The popular classification of incomes is as follows:

1. *salaries and wages* as income for labor;
2. *rent* as income from land;
3. *profits* as income from a business;
4. *interest* as income from loans to others.

Upon examination, it is obvious that the income in the form of salaries and wages is *earned* income. But the incomes in the form of rent, profits and interest are all *unearned* incomes.

Consider an old farmer who owns 160 acres of land. He no longer wishes to live in the country away from the town with its conveniences of nearby stores, churches, theatres, etc. He rents the farm to a young farmer. This tenant is required by the owner

to pay rent, say \$15 an acre, or 160 acres x \$15, or \$2,400 a year. When the farmer-owner operated the farm, he paid no rent. He retained for himself the full income from the farm. But the new farmer does not retain the full income. He keeps only that income which is left after paying the owner the \$2,400 a year. Obviously, when the old farmer-owner operated the farm he received (at least) two kinds of income — one income for his labor on the farm and another from ownership of the farm. The income for his labor is called wages, and the other part is called rent. Such rent is *unearned* income, as distinguished from the income for labor, called wages or salaries, which is described as *earned*.

Similarly, in regard to a baker who owns a bakery. He works as a baker and has an *earned* income from his work, but his income is higher than that, because he has an *unearned* income in return for his baking equipment and the store and delivery equipment. Say that that investment amounts to \$50,000. Would a man with so much money invested in plant and machinery be willing to earn the usual wage only of a baker? Of course not. He will insist on getting as much more than customary wages as the customary return on capital (say 4%). He will want then 4% of \$50,000, or \$2,000 a year extra income, *unearned* income, or else he will sell the bakery and put the money out at interest and so get the \$2,000. He will expect his wage for labor (now in another man's bakery) to be as high as his wage for labor only was when he was an owner himself. But his income from working in a bakery will be \$2,000 less than formerly; but he will "make that up" by getting the \$2,000 from his new and different investment of his \$50,000.

The extra \$2,000 in his original income was *profit* on his business. A characteristic of "profit" is that it is variable, now higher, now lower. This baker may earn \$4,000 on his investment in a very good year, and in another year he may only break even or possibly lose money. But over a period of time he will definitely want at least an average return on his investment. His *profit* was and is an *unearned* income. It was the *possession* of the bakery which gave him the unearned income.

There is not only an unearned income on land, known as rent; and an unearned income on capital, known as profit; there is

also an unearned income on money, known as *interest*. Jones needs a house. It will cost \$20,000. He has only \$12,000. But his neighbor has an extra \$8,000. The neighbor lends the \$8,000 to Jones for ten years, at an annual interest rate of 5%, or \$400 a year. The neighbor does nothing to "earn" the \$400. Nevertheless for the use of \$8,000 Jones is glad to pay it. The neighbor has an *unearned* income of \$400 annually in the form of interest.

Technically, the description as *rent* being a return on *land*, *profit* a return on *capital* (business), and *interest* a return on *money* is not satisfactory, but the description is popular and easily understood; and it serves our purposes presently. Suffice it to say that there are three forms of unearned income, namely, rent, profits and interest.

Basically, the cause for rent, profit and interest is a common cause, but we shall not go into that now. For that reason (and because of other reasons), in technical economics the term *interest* is often used to designate any and every kind of *unearned* return. *Interest* in economics can, depending on the context, refer to rent or profits as well as to loan interest. For example when Eugen von Böhm-Bawerk wrote his three volumes on *Capital and Interest*, the term *interest* in the title referred to all return on any kind of capital whether *rent* on land, *profits* on a business, or *interest* on money loaned. In technical economics, *interest* is sometimes a generic (broad) term, and at other times refers only to loan interest, or as it is also known, contract interest. In Scripture the term *interest* refers only to loan interest. fn

Julius Rosenwald And The Fifteenth Psalm

People still living will remember a famous Jewish business man and philanthropist, Julius Rosenwald. Mr. Rosenwald in his lifetime was president of Sears, Roebuck & Company. As a Jew he was, not unnaturally, interested in the Old Testament. We have heard that one of the favorite psalms of Mr. Rosenwald was Psalm 15. We quote it (our italics):

Jehovah, who shall sojourn in thy tabernacle? Who shall dwell in thy holy hill? He that walketh uprightly, and worketh righteousness, And speaketh truth in his heart; He that slandereth not with his tongue, Nor doeth evil to his friend, Nor taketh up a reproach against his neighbor; In whose eyes a reprobate is despised, But who honoreth them that fear Jehovah; He that sweareth to his own hurt, and changeth not; *He that putteth not out his money to interest*, Nor taketh reward against the innocent. He that doeth these things shall never be moved.

Of a man, one of whose characteristics is that he does not put "his money out at interest" it is said "Whoso doeth these things shall never be moved." This is a very large promise.

Interest, a form of unearned income, clearly appears to be forbidden in this psalm. fn

Texts In Scripture Against Interest

There are several texts in Scripture which condemn interest. For example:

Exodus 22:25. If thou lend money to any of my people with thee that is poor, thou shalt not be to him as a creditor; neither shall ye lay upon him interest.

Leviticus 25:35-37. And if thy brother be waxed poor, and his hand fail with thee; then thou shalt uphold him; as a stranger and a sojourner shall he live with thee. Take thou no interest of him or increase, but fear thy God; that thy brother may live with thee. Thou shalt not give thy money upon interest, nor give him thy victuals for increase.

Deuteronomy 23:19-20. Thou shalt not lend upon interest to thy brother; interest of money, interest of victuals, interest of anything that is lent upon interest. Unto a foreigner thou mayest lend upon interest; but unto thy brother thou shalt not lend upon interest, that Jehovah thy God may bless thee...

Proverbs 28:8. He that augmenteth his substance by interest and increase, gathereth it for him that hath pity on the poor.

Ezekiel 18:8-9, 10a and 13, 14a and 17. He that hath not given forth upon interest, neither hath taken any increase, . . . ; he is just, he shall surely live, saith the Lord Jehovah.

If he beget a son that is a robber . . . [who] hath given forth upon interest, and hath taken increase, shall he live? he shall not live; he hath done all these abominations; he shall surely die; his blood shall be upon him.

Now lo, if he beget a son that . . . feareth, and doeth not such like; . . . that hath withdrawn his hand from [spared] the poor, that hath not received interest nor increase . . . , he shall surely live.

Ezekiel 22:12. In thee have they taken bribes to shed blood; thou hast taken interest and increase, and thou hast greedily gained of thy neighbors by oppression, and hast forgotten me, saith the Lord Jehovah.

Nehemiah 5:7, 10. Then I . . . contended with the nobles and the rulers, and said unto them, Ye exact usury, every one of his brother. . . . And I likewise, my brethren and my servants, do lend them money and grain. I pray you, let us leave off this usury.

The reference in the foregoing to *interest* will be clear to all. But the word *increase* may sound unusual. It refers to a loan "in kind" that is a loan in goods, not money. It was forbidden to ask back 11 bushels of wheat if 10 bushels had been loaned; the eleventh bushel would obviously be the same as 10% interest (one bushel extra for the 10 bushels originally loaned). fn

Interest And Usury

Scripture uses both terms, interest and usury, completely interchangeably. Interest and usury meant exactly the same thing in the Old Testament and the New Testament.

In post-Biblical times usury has come to mean a high rate of interest, or a rate of interest considered to be extortionate. Such an appraisal of interest must be subjective. Who is to declare what is too high or extortionate under the circumstances that exist in the specific case?

Also, in modern times various governments have by legislation set maximum interest rates. Rates above that maximum legal rate are declared to be usury. If the maximum legal rate is 8%, but 9% is charged, then according to this definition, the "interest" is 8% and the "usury" is 1%. Obviously the whole 9% cannot be usury, but only the excessive 1%.

It is of cardinal importance to keep in mind that in Scripture interest and usury mean exactly the same thing.

Every reader will realize that in the two modern senses of an *excessive rate of interest*, or a *more-than-legal rate of interest* usury is an item of insignificant consequence — a mere fly-speck in the great moral issues of the day. fn

The History Of The Moral Appraisal Of Interest (Or Usury) In Broad Strokes

The history of the judgment of mankind on the morality of interest (usury) can be painted with a broad brush:

1. Moses forbade interest (usury) under certain conditions.
2. The Jews in New Testament times accepted the idea of interest favorably. Christ did, too.
3. The Christian church fought interest grimly for 1500 years.
4. Calvin approved of interest.
5. The Social Gospel has not reverted to the position of Moses and of the ancient and medieval church, but has gone immeasurably farther in its opposition to interest than Moses or the Catholic church ever went.

6. Rev. Peter Van Tuinen, a clergyman in the Christian Reformed church, a member of the Calvinistic Action Committee, participates in this same social-gospellish anti-usury idea.

The modern opposition to interest (usury) is something altogether different from Moses's opposition to interest; or, shall we say more accurately, Moses's *apparent* opposition to interest.

The modern opposition of the social gospel to interest has a malignant character. It is wholly, unqualifiedly un-Biblical, illogical and vicious. Its origin is socialistic (communistic) and it is based on principles in complete enmity with what Scripture teaches.

The qualifications (i.e., special limitations) regarding interest by Moses were beneficent. The modern opposition of the Social Gospel to interest has a complete, Scripture-denying origin. The social gospel can advance nothing in defense of its opposition to interest, except the propensity to covetousness, thievishness and coercion.

fn

The Rev. Peter Van Tuinen On Usury

In his essay, "Calvinism and the Task of the Church for the Solution of Modern Problems," which is the second essay in *God-Centered Living or Calvinism In Action*, a symposium by a Calvinistic Action Committee (1951, Baker Book House, Grand Rapids, Michigan), Rev. Peter Van Tuinen writes, page 39 (our italics) :

... we must conclude that our Lord has left the church with a clear responsibility toward the manifold problems of our modern world. That responsibility may be defined as . . . a Christian culture. . . . The church must seek, by the preaching and teaching of the *gospel of righteousness*, to make an impact on both the regenerate and the unregenerate man. Moreover, since man lives, not in isolation but in society, the church must not fail to exercise the critical function of the gospel upon the *organization of society*, the various *relationships of men*, and the *several functions* which are carried out by men in common.

To illustrate this inevitable necessity, we may take for example the economic responsibilities of man as expressed and implied in the teachings of our Lord. *We take for granted that the church will preach the gospel demands of justice, charity, honesty and stewardship, while at the same time condemn such unchristian economic practices as economic oppression, selfishness, usury and mammonism.*

Van Tuinen presents this as his economic gospel. He insists that the church must be concerned with more than private morality; it must also be concerned with the "gospel of righteousness," the "organization of society," the "relationship of men," and the "several functions."

As we noted in the January 1957 issue of PROGRESSIVE CALVINISM, the question to which we seek an answer is whether Van Tuinen has a social gospel of his own (possibly a full brother of the social gospel generally), which can be reconciled with Scripture.

In an essay of the kind as Van Tuinen's it is difficult to fix exactly what he proposes. His confusion of thought and the generality of his terms are considerable. All critiques of some pieces of writing can be disputed by appealing to a confusion in the original document.

But in what has just been quoted we have undoubtedly the basic ideas of Van Tuinen for his economic gospel. He is:

<i>For</i>	<i>Against</i>
justice	economic oppression
charity	selfishness
honesty	usury
stewardship	mammonism

There are some conspicuous omissions: there is not a word against interventionism, or government interference with legitimate liberties; there is no intimation that economic oppression is exercised by unions; there is not a word against covetousness; there is throughout the world today a monstrous evil — the principle of communism. Van Tuinen refers to none of these.

For Van Tuinen there is a special kind of economic unrighteousness handicapping the coming of his earthly "kingdom of God." Such economic unrighteousness consists of the acts of businessmen. Read his whole essay and his inveterate hostility to "business" and "businessmen" (typical of all men preaching a social gospel) will be fully realized.

As an example, let us consider in some detail Van Tuinen's blacklisting of *usury*, which is a universal business practice.

At once, attention will be called to the liturgical form used in Communion in the Christian Reformed church. It declares that "usurers" are not to be admitted to Communion.

We believe that in 100 years of existence the Christian Reformed church has never banned any man from Communion for usury. The term as used in the form is a perfect dead letter because of changed circumstances. (We may explain that later.) But Van Tuinen is talking about a great program for Calvinism — something dynamic, vital, relevant, world-reforming, world-sanctifying, a veritable "kingdom of God." And in that wonderful campaign to which he urges Calvinists to address themselves, a major part of his program is the fight against *usury*. This matter of *usury* cannot be a dead letter for Van Tuinen in his social gospel as it is a dead letter in the form for Communion in the Christian Reformed church.

We shall, therefore, give some attention to the "sin" of *usury* which is so important in Van Tuinen's economic gospel. fn

Our Ancestral Church On Interest

Indirectly or directly every one of us is an heir to the great Catholic church. If we are Protestants now there was a time when our ancestors were Catholics. The heritage of every Protestant today followed the Catholic road for 1500 years or more. What was the ancient attitude of our mother church on interest or *usury*? It was what might be read from Scripture, namely, interest is forbidden.

The result of this is well known to many. No gentiles went into the banking business: but Jews did go into the banking business because according to Deuteronomy 23:19-20 a Jew might collect interest from a gentile. And so the Jews became the bankers of the gentiles and the bankers of the Medieval world.

It should be noted that on the question of interest the church was stricter than Moses. It is always dangerous to become more restrictive than Scripture itself. If Moses had authorized a Hebrew to collect interest from a gentile why should not a gentile be permitted to collect interest from a gentile? If it was fair to a gentile to have to pay interest to a Jew, it would seem also to be fair to a gentile to have to pay interest to a gentile.

A little reflection should have shown that the general rule was obviously that interest was all right, but that under special circumstances it should not be collected from a Jew by a fellow Jew. But this latter instance should then be viewed as an exception for some special reason.

Obviously, the Mosaic rule on interest would have to be looked at in one of the three ways:

1. Moses was inconsistent on interest; he taught two morally irreconcilable rules; or
2. The general rule was against interest, but Moses authorized a Hebrew to exploit a gentile. This would be a "special dispensation"; obviously the moral standing of the exception would be questionable.
3. The general rule was that interest was all right, but a special restriction was applied to Hebrews.

Of these three possible positions the ancient church selected the second. She should have selected the third.

The ancient church for centuries fought the payment of interest with grim determination and steadfastness. But by the year 1500 it could be seen that the prohibition of the church against the collection of interest would have to be abandoned. Everywhere, by the sixteenth century, the battle line against interest was cracking.

The Catholic church today may be considered as modern and up-to-date on interest as any church. Her tenacious fight against interest failed completely, as all such fights must fail; misunderstanding of the teachings of Scripture is not effective in destroying economic law. It never has been and never will be.

We shall see later (1) that whereas the ancient church was honestly in error in a specific matter without however making that error a part of a generally unscriptural economic order, that (2) the modern social gospel is magnifying the error about interest and is doing so in a malignant setting essentially based on communism. Furthermore, the economics of interest were not worked out in the Middle Ages and have not been understood until within the latest 75 years. The ancient church may therefore be excused, but the modern social gospel and Van Tuinen are wholly inexcusable in their erroneous doctrine on interest or usury. fn

The Misuse Of Scripture

PROGRESSIVE CALVINISM is not in the tradition of either the great church father, Augustine, or the great scholasticist, Thomas of Aquinas. (We belong to a radically different school of thought.) But these men made great contributions to the Christian church and it is well to consider their position on any subject. What was their position in regard to "proving" something by a scriptural text?

Meyrick H. Carré in *Realists And Nominalists* (Oxford University Press, Amen House, London, E. C. 4, 1946) writes, page 19:

[Augustine] emphatically warns Christians against the danger of clinging to crude beliefs about the natural world on the authority of Scripture. [He wrote:] "It frequently happens that there is some question about the earth, or the sky, or the other elements of this world, the movement, revolutions, or even the size and distance of the stars, the regular eclipses of the sun and the moon, the course of the years and seasons; the nature of the animals, vegetables, and minerals, and other things of the same kind, respect-

ing which one who is not a Christian has knowledge derived from most certain reasoning or observation. And it is highly deplorable and mischievous and a thing especially to be guarded against that he should hear a Christian speaking of such matters in accordance with Christian writings and uttering such nonsense that, knowing him to be as wide of the mark as, to use the common expression, east is from west, the unbeliever can scarcely restrain himself from laughing."

What Augustine wrote about the misuse of Scripture in the field of the natural sciences is equally applicable in regard to the misuse of Scripture in the field of praxeology (the social sciences), particularly economics. Paraphrasing Augustine, we would write: "It is deplorable that an economist should hear a twentieth-century Calvinist uttering such nonsense about interest (usury) that he can scarcely restrain himself from laughing."

Carré in the same book, page 95, wrote:

[Thomas of Aquinas] is respectful towards natural knowledge and echoing Augustine he warns Christians against displaying their ignorance in discussing scientific questions. He lays down the principle that Holy Scripture can be explained in a number of ways and no one should abide by any particular interpretation so rigidly as to be unwilling to abandon it if it should clearly be shown to be false. Otherwise Scripture is exposed to the ridicule of unbelievers and obstacles placed in the way of their assent to the Faith.

On the question of *usury* some modern Calvinists have been naive in displaying their ignorance, despite the very sound advice of the great Thomas of Aquinas.

Van Tuinen is, in fact, an obscurantist on economics. The church, he declares, should do spectacular things in promoting the "righteousness of the gospel" and the right "organization of society," and the proper "relationships of men" and their "several functions" in society. The gospel is to place a decisive stamp on all these, a stamp of a Calvinist brand of the gospel.

But that, Van Tuinen believes, can be done by clergymen who are ignorant or have only a dilettante knowledge of a subject; he writes (page 45): "All this is a far cry from saying that the Christian preacher must be an expert economist, . . ." His proposition is the ridiculous one: preach without knowledge; declare positively what is right or wrong without understanding what it is all about; tell society how it must be organized but know practically nothing about economics.

As long as any Christian Reformed minister pretends to be qualified to talk on economic questions, without a thorough knowledge of economics, he will make the Christian Reformed church and any Calvinistic Action Committee to which he belongs look foolish.

fn

John Calvin On Interest

John Calvin (1509-1564) has about the best record of any ancient theologian on this question of interest and usury. There are reasons for that.

In the first place he was the son of a well-to-do bureaucrat. Calvin's father, a man of great ability, was not a man who became wealthy in a free market society, but by means of his connections. Calvin senior therefore had possessions based on status or rank. (Incidentally a society based on such a system cannot be reconciled with the teaching of Scripture.) Naturally, a son in such a household would look on the possession of property sympathetically, and he would be trained to think that an income in the form of interest, that is, *unearned* income, was allowable.

In the second place, Calvin lived at the time when long-held ideas on interest were being swept away. If Calvin had not clearly seen the perfect validity of interest, others would have. The end of the ban on interest was at hand whether Calvin had ever expressed himself or not. The time was ripe for new ideas on interest.

In the third place, Calvin had a logical mind. He was quite the opposite of being naive. He apparently did not like absurdities

or inconsistencies. He must have looked around and said to himself that the ancient interpretation of the Mosaic law on interest must be wrong. He must have asked himself what the *logical* situation was on interest, and then decided that he would interpret Scripture in a sensible sense.

What did Calvin write on the subject of *interest*? Eugen von Böhm-Bawerk, the famous Austrian economist, in his classic *History And Critique Of Interest Theories* (the German title is *Kapital und Kapitalzins*) wrote:

The first champions of the new school were the reformer, Calvin, and the French jurist, Dumoulin (Carolus Molinaeus).

Calvin has defined his attitude towards our question in a letter to his friend Oekolampadius. In this letter he treats it, not in detail perhaps, but certainly with decision. At the outset he rejects the usual scriptural foundation for the prohibition, seeking to show that, of the writings customarily adduced in its support, some are to be differently interpreted, and some have lost their validity because of the entirely changed circumstances. The scriptural authority for the prohibition being thus disposed of, Calvin turns to the rational arguments usually given to support it. Its strongest argument, that of the barrenness of money (*pecunia non parit pecuniam*), he finds of "little weight." It is with money as it is with a house or a field. The roof and walls of a house cannot, properly speaking, beget money, but through exchange of the use of the house for money a legitimate money gain may be drawn from the house. In the same way money can be made fruitful. Since land is purchased for money, it is quite correct to think of the money as producing other sums of money in the shape of the yearly revenues from the land. Unemployed money is barren, to be sure, but the borrower does not let it lie unemployed. The borrower therefore is not defrauded by having to pay interest. He pays it *ex preventu*, that is to say, out of the gain that he makes with the money.

Calvin would have the whole question judged in a reasonable spirit, and he illustrates in detail by an example, how the lender's claim to interest may, from this point of view, be well grounded.

A rich man who has plenty of landed property and general income, but little ready money, applies for a money loan to one who is far less wealthy, but has more ready money. The lender could use the money to purchase land for himself, or he could request that the land bought with his money be hypothecated to him till the debt is wiped out. If instead of doing so, he contents himself with the interest, the fruit of the money, how can he be condemned, when the other much harder bargain is regarded as fair? As Calvin vigorously expresses it, that were a childish game to play with God, "and what is it but playing, like children, with God, if one's judgment of a thing is based on the bare words, instead of on the nature of the thing itself?"

He concludes then, that the taking of interest cannot be universally condemned. But neither is it to be universally permitted, but only so far as it does not run counter to fairness and charity. The application of this principle necessitates the listing of a number of exceptions in which interest is not to be allowed. The most noteworthy of these are: that no interest should be demanded of persons in urgent need; that due consideration should be shown to the "poor brethren"; that the "welfare of the state" should be considered; and that the maximum rate of interest established by the laws should in no case be exceeded.

The foregoing quotation is from an as yet unpublished translation by George D. Huncke and Hans F. Sennholz.

Two famous publicists, Molinaeus and Salmasius developed the argument of Calvin further. But the germ of their argument is fully presented in what was quoted in the foregoing about Calvin.

fn

Superficiality Of Calvin's Argument On Interest

Calvin did three things when he discussed interest:

1. He took a sound position that interest is not forbidden in Scripture.
2. He added some modifications or qualifications which are erroneous. (We shall discuss these later.)
3. He based his main argument in favor of interest on a sound comparison or analogy. But unfortunately he went no further. Consequently, his defense of interest, although sound, is completely superficial.

According to Böhm-Bawerk's summary of Calvin's reasoning in favor of interest, Calvin reasons as follows: *A* borrows from *B*. *A* uses that money to buy or operate a farm; *A* makes money by doing that. *B* on the other hand could have made the same profit doing that. *A* could not make that money if *B* had not loaned him the money. *B* on the other hand could have made the same profit at farming that *A* did. If *B* then were to get nothing from *A* for the use of *B*'s money, then *B* would have farmed (bought land or operated land) himself.

What does this argument amount to? This:

1. In the first place, this is not a question of charity in any sense, but business. Both parties are looking at a loan as a *business* transaction.
2. The borrower profits by borrowing for a business purpose; at least, he *expects* to profit. He is confident that he can profit more with the aid of a loan than he will profit without a loan. He will pay interest gladly provided he expects that he will be "ahead," that is, provided he expects that his income from the use of the loan will exceed what the loan costs him in interest.
3. If anyone is foolish enough to forbid the demanding and receiving of interest on such loans, then the possessors of funds will go into business for themselves. They will themselves earn

the full profit (*unearned* income) to be made from capital. Would-be borrowers without capital will no longer have access to capital. All entrepreneurs (businessmen) will henceforth only be the capitalists, that is, people with capital or funds.

4. And so, Calvin concludes that interest is natural, equitable and sensible.

He was, of course, wholly right. The matter is so obvious that it is not debatable.

Calvin undoubtedly considered that his argument was conclusive. If he had thought it was not conclusive, he would have added more. Where does his reasoning fall short of what is required?

The reasoning fails because it does not go far enough. Calvin explains *loan* interest by means of *land* interest or rent. *But what explains and justifies land rent?* That is the crucial question. Not until that question is answered is the loan interest question finally answered.

Böhm-Bawerk wrote on this question as follows:

The ancients and the canonists had said, "Loan interest is an unjust defrauding of the borrower by the lender, for money is barren, and, furthermore, there is no special 'use' of money which the lender may justly sell for a separate remuneration." This was contradicted by the new doctrine which said, "Loan interest is just, for in the first place, money is *not* barren because, when properly employed, it is capable of producing a gain, the prospect of which the lender renounces in favor of the borrower; and in the second place, there *is* a use of capital which is separable from capital itself, and which may be sold separately from it."

. . . The central idea of the new doctrine is the suggestion that capital produces fruits for him who employs it. After an immense expenditure of ingenuity, dialectics, polemics, and verbiage, there emerges from the new doc-

trine a thought which is basically the same idea that Adam Smith, in his wonderfully simple way, expressed shortly afterwards in the few words that contain his solution of the whole question as to whether interest is justifiable or not, "As something can everywhere be made by the use of money, something ought everywhere to be paid for the use of it." Translated into our modern terminology, this idea would run, "*There is loan interest because there is originary interest**."

What the theory of [Calvin and] Salmasius and his followers amounts to then, is essentially this, that they explain contract or loan interest by establishing the fact of the existence of originary interest.

How much did the elucidation of the interest problem gain by this? That the gain was not inconsiderable is attested by the fact that the intellectual labor of centuries was needed to secure credence for the new doctrine, in the face of hostile impressions and prejudices. But just as certain is it that, when this explanation was given, much remained still to be done. The problem of interest was not solved, its solution was only postponed. To the question, "Why does the lender get from his loaned capital a permanent income not due to work?" the answer was given, "Because he could have obtained it if he had employed the capital himself." But why could he have obtained this income himself? This question obviously required an answer before any progress could be claimed toward a solution of the true origin of interest. But, in the period we are discussing, that question not only was not answered, it was not even asked.

All attempts at explanation got as far as the fact that the man who has a capital sum in hand can make a gain with it. But here they go lame. They accept this as a fact, without the slightest attempt at any further explanation of the fact itself; thus Molinaeus, with his proposition that money, assisted by human exertion, brings forth fruit, and with his appeal to everyday experience;

**Originary interest is land rent and profits.* This definition will suffice here.

thus Salmasius himself, with his delightful plea for the fruitfulness of money, in which, however, he simply invokes the fact without explaining it; and thus, too, even the latest and most advanced economists of the whole period — such men as Locke, Law, Hume, James Steuart, Justi, Sonnenfels. Now and then they advance extremely clear and thorough statements of how loan interest is bound to emerge from the possibility of a gain, and how in the amount of that gain it must find the measure of its own amount. But not one of them ever achieves the question as to the why and wherefore of that originary interest.

What Salmasius and his time achieved for the interest problem can best be evaluated by comparing that problem with the problem of land-rent. Salmasius, though badly handicapped by attendant, even if irrelevant circumstances, accomplished for the interest problem the thing which it had never been necessary to accomplish in the case of the land rent problem, just because it was too self-evident. He proved that the lessee pays the stipulated rent because the leasehold yields that rent. But he did not accomplish, and did not attempt to accomplish for the interest problem the one thing that required scientific effort in the case of land rent. He did not explain why the leasehold, even if it remain in the hands of its owner, still yields that rent.

So all that had been accomplished in the period we have just been considering was to drive an advanced outpost back to the main position, as it were. The problem of loan interest is pursued till it coincides with the general problem of interest. But the main position is not captured or even attacked. At the end of the period the heart of the interest problem is virtually untouched.

What is *interest*? It is an *unearned* income. *Unearned*? What entitles anyone to an *unearned* income? What entitles a landlord to rent, or other capital to profits, or a lender to interest?

We have here no ordinary question, but the crucial question in regard to capitalism. This is the question which socialists and communists ask insistently.

Let us put the problem in the form of a genuine problem.

In Calvin's day the right to the *private ownership* of property was not disputed. *Loan* interest was a problem *only* because Scripture had been interpreted as being opposed to *loan* interest but not to interest generally. Scripture nowhere, had disputed land rent or capital profits. In fact, Christ in one of his parables based the whole parable on the absolute validity of a landlord *collecting more than he had invested*. That the landlord would get his principal back — just the *one* talent — was not considered enough. The unprofitable servant was ordered to be thrown into "outer darkness." In the parable the two other servants, recipients of five and two talents respectively, each doubled the landlord's (in this age we would say the *capitalist's*) money and the landlord took back the whole *double* amount.

But since the days of Christ and the days of Calvin, new schools of thought have arisen — the interventionist-socialist-communist schools of thought. The basic idea of these schools is that nobody may genuinely *own* the means of production (capital) *individually, nor may an individual receive any or a free return on his capital*. Any such return is called *exploitation* by the socialists-communists. They declare all return on capital — interest, profits, rent — to be *exploitation*. They deny the right of private ownership.

In other words, Calvin gave an answer on *interest* which answered the question of *loan* interest *in his day*, but he made no contribution whatever to the solution of the interest question *today* in its revised and more radical form — namely, why should *any* capital of *any* kind obtain *any unearned* return? All that Calvin said was: a loan is entitled to a return because land and capital obtain a return. But he did not think of demonstrating *why* land and capital obtain or are entitled to a return. fn

(to be continued)

Two Books On The Social Gospel

Readers should obtain for their own libraries, or borrow from a public library, two valuable historical and critical books on the social gospel: *The Powers That Be* by Rev. Edmund A. Opitz and *The Kingdom Without God* by Gerald A. Heard and Edmund A. Opitz.

These books are published by the Foundation for Social Research, 1521 Wilshire Boulevard, Los Angeles 17, California. The two can be bought in paperbound form for \$3.00; clothbound \$6.00. (The Foundation is associated with Spiritual Mobilization (see January issue, pages 12-13), with whose theology we disagree but with whose ethics we do agree.)

These books will give insight into how the social gospel has deeply affected the thinking of some of the members of the Calvinistic Action Committee and other members in the Christian Reformed church.

fn

The World's Greatest Economists

Anyone is entitled to his own opinion regarding who have been the greatest in the history of a particular science. If we were asked to select five for the science of economics, we would nominate the following (named in historical order): Adam Smith (1723-1790), David Ricardo (1772-1823), Carl Menger (1840-1921), Eugen von Böhm-Bawerk (1851-1914), and Ludwig von Mises (1881-).

If, as in II Samuel 23 in the Old Testament, one wishes to get down to "three mighty men" to whom none of all the others was "able to attain," we would nominate Smith, Böhm-Bawerk and Mises.

The foregoing list is not as a popularity vote. Popularity often depends on "pitching" one's message to what people wish to hear and not to what they should hear. The greater a man's popularity, the greater the probability, as Schopenhauer wrote with sardonic contempt, that the popular idol knew how to "stroke" people right, just as stroking a dog or cat makes a person popular with dogs and cats.

These men during their lives did not seek short-term success. Abraham Lincoln considered himself at some disadvantage compared with Stephen A. Douglas when the two were debating together in the Lincoln-Douglas debates. Douglas possessed skill in making clever turns in his argument; Lincoln could not match him. Lincoln countered by saying that he was speaking for the record and the sober long-term judgment of men throughout the ages; he recommended that people read carefully after the debate exactly what both men had said. On that basis Lincoln was perfectly confident in the outcome. Smith, Ricardo, Menger, Böhm-Bawerk and Mises have all written for the long term, and not to acquire short-lived acclaim.

As far as we know none of the five in the list has had much sympathy for Christianity, let alone Calvinism. Adam Smith is known to have disliked Calvinism cordially. But all five have taught economic principles which are the only economic principles reconcilable with the ethics of the Old and New Testaments.

Sometime late this spring we shall be ready to distribute copies of Mises's latest book *The Anti-Capitalistic Mentality* (D. Van Nostrand Company, Inc., Princeton, New Jersey, 1956, 114 pages, cloth \$3.75). We shall be glad to send subscribers to PROGRESSIVE CALVINISM in 1957 a *paperbound* copy of this book as soon as they are delivered to us. Or we shall be glad to send currently a copy of *The Road To Serfdom* by Friedrich von Hayek, the famous economist and essayist in the same tradition as the men whom we have listed. Please indicate your choice.

fn

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The Ethic Of The Social Gospel

The social gospel is the prevailing Protestant religion. It rejects the supernatural and proclaims a system of ethics; that system is its *positive* program. The World Council of Churches, the largest Protestant unit in the world, advocates programs based on the *social* gospel.

What, simply and comprehensively, is the ethic of the social gospel?

The social gospel is a system of ethics which teaches:

1. Public immorality, and
2. Private sanctimoniousness.

1. The teaching of the social gospel in regard to public immorality consists in the doctrine that *covetousness* and *coercion* by people acting in groups, especially through a government, is not only permissible but meritorious. See pages 40-42 in the February 1957 issue of PROGRESSIVE CALVINISM.

2. The teaching of the social gospel in regard to private sanctimoniousness consists in the demand to love the neighbor more than the self, and the denial of the unrestricted right to "discriminate," that is, to show preference. See articles in February, March, April and May issues of PROGRESSIVE CALVINISM in 1955.

The social gospel is not something that grew out of Scripture. To call that which the social gospel teaches *Christian* is to twist and torture the interpretation of Scripture. The social gospel grew out of something else. It was developed in response to a "need." That "need" was an attempted moral justification of socialism. Take that purpose away from the social gospel and it will collapse. When socialism is eventually discredited, there will not be a social gospel either.

The foregoing can be summarized by saying that the ethic of the social gospel is an *attempted* moral justification of socialism (or its little brother, interventionism). fn

Is The Christian Reformed Church Letting The Ethics Of The Social Gospel Stand Unchallenged?

Solomon made a profound observation and statement:

Ecclesiastes 8:11. Because sentence against an evil work is not executed speedily, therefore the heart of the sons of men is fully set in them to do evil.

This is an interesting proposition. It says that there is a delay or time factor in the operation of cause and effect in the social, political and economic affairs of men. In the field of the natural sciences, if you jump off an elevation you *immediately* begin to fall to the earth. But, says Solomon, the penalty in the field of morality is different; it is not "executed speedily"; the eventual remote effect of folly and sin, he indicates, can long be delayed in human affairs. And so, says Solomon, men having observed that phenomenon take their chances and perform wickedness. Men believe, contrary to what Moses declared, that their "sins will [not] find them out." Of course, if the effects of sin were prompt, sin would soon be nonexistent; if the effects were instantaneous, sin would not exist in any real sense, because it would be suicidal in character.

Some of the effects of the malignant ethics of the social gospel are being delayed. But if Moses and Solomon knew what they were talking about, then Christianity, if it is properly to be equated with the social gospel, will eventually have a sorry reputation and will be thoroughly discredited. That will be the outcome when the consequences of the ethics of the social gospel are harvested.

As far as we know there is not a single pronouncement by the Christian Reformed church against the *ethics* of the social gospel. There are men in the Christian Reformed church who, without being molested, teach principles basic to the social gospel. If that is true of a denomination as extraordinary as the Christian Reformed, what will the situation be in other denominations?

No denomination will be doing its duty if it waits until the evil effects of the doctrine of the social gospel are experienced, and only at that late time speaks against it. To have a *prophetic*

message and to speak with *prophetic* power it is necessary that a church speak up against evil at the time that that evil is still popular, and before the time that the fact that that evil *is* evil is substantiated by experience.

fn

Rev. Peter Van Tuinen's Requirement That There Be No Usury In His "Kingdom Of God"

We are in this issue continuing with an analysis of the economic gospel of Rev. Peter Van Tuinen, pastor of an Artesia (California) Christian Reformed Church. This is the third instalment of the analysis, the previous instalments appearing in the two immediately preceding issues of PROGRESSIVE CALVINISM (January and February, 1957).

We are exploring the idea whether (1) the *content* of the ethical teaching of Van Tuinen about his Kingdom of God, and (2) the *content* of the ethical teaching of the social gospel about its Kingdom of God are the same thing, or are essentially related. In any event, whether they are essentially the same or not, we ourselves reject the ethic of both the Van Tuinen and the social gospel *Kingdoms of God* as being spurious and un-Biblical.

The first thing to do is to discover carefully of what Van Tuinen's ethical gospel, that is, his gospel for his earthly Kingdom of God, consists.

The economic aspects of his ethical Kingdom of God are indicated by what he has written in his essay, "Calvinism and the Task of the Church for the Solution of Modern Problems" in the book *God-Centered Living or Calvinism in Action* (Baker Book House, 1951, Grand Rapids, Michigan). This book is put out by a self-constituted Calvinistic Action Committee.

Van Tuinen writes, page 40 (our italics) :

We take for granted that the church will preach the gospel demands of justice, charity, honesty, and stewardship, while at the same time [it will] condemn such unchristian economic practices as economic oppression, selfishness, *usury*, and mammonism.

This statement appears innocent enough. It consists of generalities and apparent orthodoxies. But the ideas here expressed need to be thoroughly analyzed to discover whether they really differ from what a regular social gospeller would write.

Some years ago the present editor, as an individual, sent out some economic literature, which is not reconcilable with the social gospel, and also is not reconcilable with Van Tuinen's economic gospel. This literature was a small booklet written by Dr. Ludwig von Mises, entitled, *Middle-of-the-Road Policy Leads to Socialism*. The book simply presents sound economics. Its logic is easy to understand and is wholly convincing.

Sometime thereafter friends informed us of the intense dissatisfaction and hostility of Van Tuinen against the ideas in that booklet and against anyone who would sponsor it. (PROGRESSIVE CALVINISM will send a copy of this booklet to anyone who will write for it.)

We shall proceed with the analysis.

With the intent of being specific and analytical we have begun our consideration of Van Tuinen's economic gospel by an analysis of his condemnation of *usury* (see quotation in the foregoing). Van Tuinen condemns usury; in PROGRESSIVE CALVINISM we are in favor of usury.

We use the word *usury* in its exact Biblical sense, namely, *any* interest on money or things loaned, whether that interest is at a high rate or a low rate.

There is, however, it should be carefully noted, a modern meaning to *usury* which cannot be applied to the Biblical statements on usury, because Moses in his legislation on usury at no time refers to the modern idea. That modern *idea* is that interest is permissible provided it is not extortionate or oppressive, that is, provided the interest rate is not "too high." He did not condemn high interest rates and approve low interest rates.

The King James English translation of the Old Testament invariably uses the word *usury*. That is the old, regular English word for *interest* generally. When modern usage restricted the

word usury to high interest rates *only*, then *usury* no longer was an adequate translation. Therefore, the more modern translation of the Old Testament, the American Standard Version (which is the recommended translation in the Christian Reformed church), changes the King James word *usury* in all texts on interest, to *interest* which is the correct modern word that refers to what Moses wrote.

Our interpretation of what Moses wrote is that he was in no real sense opposed to interest as a part of the economic order, whether that interest be appraised as high interest (usury, in the modern sense) or whether that interest be appraised as moderate or low, and known merely as *interest* (in modern times). Yes, indeed; there is a special, limited Biblical injunction against usury and in that limited and not presently significant aspect we also are against usury; otherwise, not. We shall eventually come to that.

Everything that Van Tuinen may say about usury, if he wishes to build his case against *high* interest rates only, is (this should be carefully noted) wholly unscriptural. If Moses is alleged to condemn usury in the modern sense *only*, then that statement is obviously contrary to Scripture. Whatever Moses may have condemned, it was not high interest rates versus low interest rates.

When a reader appraises carefully what Van Tuinen wants so that the Van Tuinen Kingdom of God will come into existence on this earth, then it is evident that the major part of his program is an *economic* reformation and rebirth. Society is to be reborn by the destruction of basic *economic* evils, and one of the four which Van Tuinen selects for attention is usury. Obviously, if a high interest rate is bad, then a lower interest rate is better. But equally clearly, Paradise is not attained, the Van Tuinen Kingdom will not come in perfect glory unless interest rates go lower and lower until finally there will be no interest rates at all. Then, in an economic sense, the Van Tuinen Kingdom will have arrived — all interest will have been abolished, and the hosannas can be shouted. The argument might be put this way: if there is to be no interest in heaven, there should be no interest in an earthly Kingdom of God.

This is not one whit different from the socialist utopias. The socialists also condemn high interest, medium interest, low interest, any interest. Their Kingdom of God will also be established when there is no more interest to be paid.

There are moral legislators who today know less about sound principles of legislation than Moses did 3,300 years ago. Moses made, shall we say, "absolute" laws. He did not make laws based on "degrees" or on adverbial phrases such as "too high" or "too low." Moses probably knew that every law based on "degrees" is not enforceable except tyrannically, that is, according to the unpredictable judgment of a judge or a bureaucratic commission. Van Tuinen does not indicate what he might consider to be *usury* and what he might consider to be proper *interest*. Nobody can define that. It is impossible to have *any* standard on what is too high or too low an interest rate in a moral sense. Anyone who endeavors to enforce a discretionary law, one based on degrees, eventually becomes an arbitrary bureaucrat, a tyrant and an oppressor, human nature being what it is.

Efforts to legislate morality by "degrees" have proven disastrous. Such legislation can be described as legalized *casuistry*. The dictionary defines *casuistry* as "the science or doctrine of resolving doubtful cases of conscience of right and wrong according to injunctions of sacred books or of individual authority or social conventions, rather than on grounds of moral reason." Any attempt for a clergyman to define *usury* as being *too-high* an interest rate is *casuistry*.

In regard to *casuistry* two statements should be made: (1) Calvinists have historically been unsympathetic to *casuistry*. They have insisted on avoiding sumptuary laws and other manifestations of *casuistry*. *Casuistry* is completely foreign to the genius of Calvinism. (2) Further, some members of the famous Jesuit order specialized for a time on *casuistry* (consider Escobar and others). This excursion into *casuistry* was disastrous for the reputation of this great religious order. It may be doubted whether it will ever be able to "live down" all the disrepute it received from *casuistically* measuring morals. Some of those moralists developed ideas such as that it was all right for a Frenchman to kill another Frenchman honorably in a supervised duel, but that an Italian

might under certain circumstances knife you in the back on a dark and lonely road.

Van Tuinen will end up with similar disastrous results if he wishes to appraise *interest* or *usury* casuistically. fn

Interest At 10% A Month—And Still Not Usury

Last month while working out of town, several other men and I had lunch at the hotel. Two brothers gave me a ride back to the plant. As we were getting into the car one of them stopped, and pointing at the brick building near which their car was parked, said, "That is the building where our grandfather began the company."

That started the brothers on a chain of reminiscences. The grandfather had come from New York state, where the family had given their name to a city of substantial size. He had picked a location which he thought would turn out to be the city which Chicago now is. Although he had miscalculated that, he had prospered.

The grandfather had a brother named Obadiah, who participated in the Gold Rush to California in 1849. Obadiah wrote to his brother back in the Middle West that if he had the money available for loans, he would do well to send it to California. Obadiah wrote that "the interest rate here is 10% a month."

The grandsons giving me the information emphasized the "10% a month."

We pondered the rate. Without compounding it, the rate was (12 months times 10%) 120% a year. This compares with an ordinary rate of 5% or 6% a year.

We wondered whether Rev. Peter Van Tuinen out in California now would consider an interest rate of 120% a year in California in 1849 to be usury.

Under the circumstances or any similar circumstances — we would not.

Scripture does not condemn such a rate anywhere. The facts are simple. Great profits could be made in California. The men who were there had traversed the desert under appalling hardships. Many had died on the way. No one would have attempted the trip unless the rewards were very high. They were. *Capital*, that is, funds to loan, were scarce and the profit to be made on those funds were enormous. But nobody would pay the high rate *unless he expected to make a profit even higher.*

No charity or poverty was involved in this situation. It was a *business* situation and a *business* rate of interest. No man lived who was wise enough to regulate the interest rate in California as *usury*, or as valid interest. No man living today is wise enough to determine interest rates in the United States or any other country by *a priori* or moralistic reasoning. The interest rate can be determined validly *only by a free market.* fn

The Immorality Of Making Declarations On Subjects About Which One Is Uninformed

We condemn as immoral the making of statements about any subject on which the speaker is not informed.

We remember a distinction made to us by Dr. Ludwig von Mises in a private conversation, to the effect that:

1. It is not only improper to declare as true what we know to be untrue; but
2. It is equally improper to declare as true what we do not definitely know to be true, that is, it is unethical to make positive statements on subjects regarding which we lack adequate knowledge.

This is not Van Tuinen's ethics. He makes a bold statement about an economic question which he gives no evidence of really knowing to be true or untrue.

Von Mises's ethics are more restrictive than Van Tuinen's. They are the ethics of a conscientious scientist and thinker. fn

Einstein On The Importance Of Being Able To State A Problem

Einstein has declared that the prerequisite to the solution of a problem is the *ability to state the problem correctly*. We believe that that proposition is sound and illuminating.

Einsten and his collaborator, Infeld, wrote as follows in *The Evolution Of Physics*, (Simon and Schuster, 1938, New York, page 95, our italics) :

Galileo formulated the problem of determining the velocity of light, but did not solve it. *The formulation of a problem is often more essential than its solution*, which may be merely a matter of mathematical or experimental skill. To raise new problems, new possibilities, to regard old problems from a new angle, requires creative imagination and marks real advance in science.

Modern physics requires the use of complex equations; the problem is not to *solve* the equations but to *state* them. A robot computing machine can sometimes be used to solve equations once they are *stated*; it is the *statement* of the equation which is the difficult task.

fn

Who Has Formulated The Interest Problem Correctly? Moses? Christ? The Medieval Church? Calvin? The Social Gospellers?

No ancient, medieval or early modern moralist, to our knowledge, was ever able to state the *interest* problem correctly, let alone solve it.

Consider the actual history of the interest problem in Scripture and in the doctrine of the churches.

1. Moses did not "state" the *interest* problem. He did not even attempt it. If someone alleges that Moses did legislate wonderfully on *interest*, what was it, legislation on charity or on business? Or was it racial legislation? If the legislation was differ-

ent for a Hebrew from what it was for a gentile, then it was not general legislation on interest, but racial, or national or geographical legislation. What, in fact, are the important characteristics of Moses's pronouncement on interest? In the first place, his pronouncement is racial; in the second place, it pertains to charity and not to business, that is, it pertains to personal matters rather than the economic order. In short, for Moses, the *interest* problem was merely an aspect of the *charity* problem cast in a *racial* setting. For him, interest was no *business* problem at all.

2. Fourteen centuries pass and we come to the time of Christ. Christ nowhere made any statement condemning interest generally. In his parables he assumed that *interest* was a natural and wholesome institution (Van Tuinen to the contrary notwithstanding). In other words, Christ did not state a problem because he apparently held that no "problem" existed.

3. Another five to fifteen centuries pass. The religious world is dominated by the medieval church. The church undertook to do what neither Moses nor Christ had done. The church said that interest is a business problem and that collecting interest is generally forbidden to gentiles as well as Jews. It condemned in the *business* field what neither Moses nor Christ had condemned.

4. In the sixteenth century — 3,000 years after Moses — a long time, by the way, for so little progress to be made by interpreting and reinterpreting Scripture repetitiously, John Calvin impatiently brushes all the past on *interest* behind him and declares that the problem is not racial, nor a question of charity.

We quoted in our February 1957 issue Böhm-Bawerk's summary of Calvin's position on interest. Calvin declared that interest was a *business* question; he stated the problem with clarity and simplicity, namely: *loan interest is proper because the borrower himself can make money from the borrowing; why then should he not pay interest?* This is in no sense charity. (Note that Calvin never got beyond *loan* interest. His view was very circumscribed.)

On this subject that *loan interest* is a proper business institution, Calvin was (as the expression goes) "as right as rain."

(We shall consider Calvin's lamentable qualifications to his general proposition later.)

5. Another 400 years have elapsed since Calvin's day. The church — the social gospel part of it, *if it is a part* — has addressed itself again to the *interest problem*. It formulates the *interest* question differently than ever before. Interest is no longer a problem of loan interest only, but of interest generally, and on this question the social gospellers give either of two answers:

- a. Interest is basically wrong. This is the most frequent answer by social gospel leaders, as they are nearly all socialists; or
- b. Interest must be regulated and must not be permitted to be high. This is the answer of the "middle-of-the-roaders," the interventionists, which is what some members of the Christian Reformed churches are.

Here we have five different formulations of the interest problem:

1. Moses treated it as a *racial charity* problem.
2. Christ treated it as a *general business* problem and acceptable without question.
3. The medieval church (up to the 15th century) treated it as a restricted *business* problem in the *loan* interest field only — and *forbidden*.
4. John Calvin treated it as a restricted *business* problem in the *loan* interest field only — and *approved*.
5. The social gospel treats the problem as a *general business* problem, involving not only *loan* interest, but also *rents* and *profits* (which have a common origin with loan interest) — and either (a) *condemns* it or (b) wishes to *regulate* it according to some bureaucratic judgment.

We ask, which of the five is the best formulation of the problem?

Our answer is that unquestionably the best formulation is that by the social gospel. The interest problem is far broader than Moses's racial charity, or the medieval church's moral concern, or Calvin's comparative appraisal based on land rents or profits. It is only the social gospel that has *stated* the interest problem correctly. However, the *social gospellers* did not first formulate it correctly. It is the socialists who *first* stated it correctly. The social gospel is only repeating the problem formulated by the socialists.

The socialists, although they *formulated* the problem correctly, arrived at an incorrect answer. Certain modern economists are the only persons who have stated the interest problem correctly and also found the correct answer. That correct answer is in harmony with Scripture.

If the question is asked, whose *answer* was the best, as distinguished from whose *statement* of the problem was the best, then there can be no question at all that Christ's was the best. His answer *approved* interest *basically*. He did not raise the problem nor attempt to state it because on the question of interest his views obviously were diametrically opposed to those of the modern social gospel, the socialists, or anyone who disapproves of usury in a broad sense as being improper in a well-organized economic order. Interest exists because there is a *welfareshortage* (see PROGRESSIVE CALVINISM, July 1956, page 209). Anyone who questions interest must in his premises disagree with the idea that a welfareshortage is inherent for this life. Christ's ancient premises were those of Moses and of sound modern economic theory. fn

Bohm-Bawerk's Candid Statement Of The Interest Problem

Eugen von Böhm-Bawerk (1851-1914) wrote one of the most famous economic treatises ever written; it is in three volumes. The collective name for the three is *Capital and Interest*. The first volume has the individual title *History and Critique of Interest Theories*. The first chapter in Volume I has the title, "The Problem of Interest." Here, finally, 3,300 years after Moses, Böhm-

Bawerk, one of the great economists, addresses himself to the comprehensive *problem* of interest. At least we can expect of Böhm-Bawerk what could not reasonably have been expected of Moses, the medieval church, Calvin or the social gospel — a carefully-formulated *statement* of the interest problem.

This is how Böhm-Bawerk begins:

THE PROBLEM OF INTEREST*

1. What The Theoretical Problem Of Interest Deals With

Whoever is the owner of a capital sum is ordinarily able to derive from it a permanent net income which goes under the scientific name of interest in the broad sense of the term.

This income is distinguished by certain notable characteristics.

It arises independently of any personal act of the capitalist. It accrues to him even though he has not moved a finger in creating it, and therefore seems in a peculiar sense to arise from capital or, to use a very old metaphor, to be begotten by it. It can be derived from any capital, no matter what be the kind of goods of which the capital consists, from naturally fruitful, as well as from barren goods, from perishable as well as from durable goods, from replaceable as well as from irreplaceable goods, from money as well as from commodities. And, finally, it flows without ever exhausting the capital from which it arises, and therefore without any necessary limit to its continuance. It is, if one may use such an expression in mundane matters, capable of everlasting life.

And so the phenomenon of interest presents, on the whole, the remarkable picture of a lifeless thing, capital, producing an everlasting and inexhaustible supply of goods. And this remarkable phenomenon appears in economic life with such perfect regularity that the very

*From a translation by George D. Hunke and Hans F. Sennholz to be published later this year.

concept of capital has often been founded upon it. Thus Hermann, in his *Staatswirtschaftliche Untersuchungen* defines capital as "wealth which produces a constant flow of income without itself suffering any diminution in exchange value."

Whence and why does the capitalist receive this endless and effortless flow of wealth? These words contain the problem of the theory of interest. That problem will be solved when the actual fact of the drawing of interest, together with all its essential characteristics, is fully described and explained. But the explanation must be complete both in compass and in depth. In compass, inasmuch as all forms and varieties of interest will be explained. In depth, inasmuch as the explanation must be carried without a break to the very limits of economic research; that is to say, to those final, simple acknowledged facts which the science of economics itself regards as axiomatic and does not profess to prove, facts on which economics rests, and the further explanation of which, if it be demanded, must be furnished by related sciences, especially psychology and the natural sciences.

2. How The Theoretical Problem Differs From The Social Problem Of Interest

The "theoretical" problem of interest must be sharply differentiated from the "social" problem of interest. While the former asks only why interest exists, the latter asks whether it is entitled to exist, whether it is just, is right, is useful, is good, and therefore whether it is to be retained, modified or abolished. While the theoretical problem deals exclusively with the causes of interest, the social problem deals principally with its effects. And while the theoretical problem is concerned only with the truth, the social problem is attentive primarily to expediency.

But this differentiation between the two problems is no sharper than that which applies to the arguments that

are urged on behalf of each, and to the exactness of the proof which is presented in the respective fields. In one case the argument is concerned only with truth or falsehood, while in the other it is concerned for the most part with expediency. While there is but one answer to the *wherfore* of interest, and one which compels acknowledgment in the mind of anyone who applies the laws of logic correctly, it is largely a matter of opinion whether interest is just, right and useful. The most cogent argumentation on this point, though it may convince many who thought otherwise, will never convert all of them. Let us suppose, for instance, that by the soundest of reasoning it were established that the abolition of interest would inevitably be followed by a decline in the material welfare of the civilized world. The argument would still have no weight with the person who, applying a standard of his own, lays no great store by material welfare anyway. For such a person would doubtless argue that earthly life is but a short moment in comparison with eternity, and that the material wealth to which interest ministers, will hinder rather than help man in the attainment of his eternal destiny.

Prudence urgently demands that these two fundamentally different problems be sharply differentiated in scientific investigation. It cannot be denied that they stand in close relation to each other. Indeed, it appears to me that there is no better way of coming to a correct decision on the question whether interest be a good thing, than by a correct understanding of the causes which have given rise to it. But this relationship entitles us only to correlate the results of our investigations, not to confuse the investigations themselves.

We wish to call attention to the following points:

1. Böhm-Bawerk considers *interest* in its broad economic meaning, a return on *capital*, that is, a return on money, or land, or other capital (factories, shops, machines, etc.). This meaning applied to *interest* is broader than the meaning of the term in

prohibitions (?) on interest in Scripture. Scripture applies the term *interest* only as a return on money, on a loan.

2. When Böhm-Bawerk uses *interest* in that broad sense he is stating candidly what John Calvin implied, namely, that the income from money (from a loan) is related to and apparently dependent on income from land or capital. Readers will remember that John Calvin justified interest on the ground that a man with capital could get a return from land (that is, he could get *rent*), and that *therefore* it was common sense that he should get interest on money loaned (see PROGRESSIVE CALVINISM, February 1957, pages 55-63). Calvin reasoned this way: if a man can get a return from land but not on money he might loan to someone else to buy the land, that would result in nobody loaning money anymore and people with capital would put it to use themselves at farming land which they would buy with their own money. The shocking weakness of this argument, which is correct as far as it goes, is that it explains *loan* interest by *land* interest (that is, *rent*), but that it does not explain the validity of *rent* itself. By stating the problem of interest in *broad* terms, Böhm-Bawerk makes clear that he will not assume the existence of *land* interest (*rent*) when he is explaining *loan* interest. Calvin took *land rent* for granted. He accepted *land rent* with all the simplicity of Moses and the other scriptural authorities. Calvin merely thought sensibly in the Old and New Testament tradition. Then he utilized his logical and sensible brain and explained *loan* interest by *land* interest. But it never occurred to him that *land* interest itself needed explanation.

3. After Calvin's time a new school of thought arose — the socialist. This school of thought became important with Karl Marx and his successors. Marx did not attack *loan* interest only, he attacked *all* interest — every kind of return on every kind of ownership of things (capital). Marx was no paltry quibbler about interest or usury *on money*; he laid the axe to the tree of capital, and struck blows to wipe out all return on capital. In other words, it was the socialists who really attacked the broad interest problem basically. Calvin's argument would be sneered at by Marx. If he had lived in Calvin's day Marx would have attacked Calvin's idea on interest by saying: you say that *loan* interest is justified by *land* interest; it is just the reverse, *loan* interest is not justified be-

cause land interest is not justified. In what we have just quoted from Böhm-Bawerk, his broad statement of the problem stems from the basic issue raised by socialism. That is the reason why *Capital and Interest* is a critically significant and comprehensive study of the controversy between *capitalism* and *socialism*.

4. Böhm-Bawerk does not minimize the problem. He candidly begins by saying that there is "permanent income"; which seems to have "everlasting life"; even though the owner "has not moved a finger in creating" that income; then he asks, "*Whence and why does the capitalist receive this endless and effortless flow of wealth?*" And then he says: "These words contain the problem of the theory of interest." In other words, whence and why does anyone get an *unearned* income? The socialists say it is immoral to get any unearned income.

5. Next Böhm-Bawerk carefully separates two problems: (1) the theoretical problem of interest, and (2) the social problem of interest. He writes: "While the former asks only why interest exists, the latter asks whether it is entitled to exist, whether it is just, is right, is useful, is good, and whether it is to be retained, modified or abolished." Van Tuinen has never thought of the first problem, the theoretical one; he concerns himself only with the second problem. But logically the first problem, *why* it exists, should precede the second problem, *should* it exist. If it should be discovered that *why* it exists is inevitable, or that it is inescapable from the "nature of things," then the *social* question is really nonsensical. If interest *must* exist because of the nature of creation (not because of the nature of the Fall of Adam), then it is futile and wasting time to argue whether interest *should* exist.

6. In the *interest* question, therefore, as raised by Marx and other socialists, the *whole moral structure of Moses and the gospels is questioned and attacked*. Socialism, it may be confidently asserted, cannot be reconciled with the Hebrew-Christian religion; it is either/or — either Christian ethics or socialist ethics. The term, *Christian socialist*, is an absurdity. There are no Christian socialists in any common sense meaning of the term. Should Paul Tillich, or Karl Barth or Emil Brunner or Reinhold Nie-

buhr describe themselves as *Christian* socialists, the idea involves demonstrable, profound ignorance. And when Van Tuinen brings up the rear of the procession, declaring that he assumes that all good Calvinists are against *usury*, which in Scripture means loan interest, it is obvious that he is either uninformed or he had abandoned the moral teachings of Scripture.

7. Finally, it is worth emphasizing that Marx deviated so radically in his thinking from Moses and all other Scripture writers, that he stated a fundamental issue, one of the most important, overwhelming ethical issues between men. If the theory of interest of socialism is to replace the theory of interest of Moses and Scripture, the morality taught by Moses cannot exist any more. It is, therefore, unbelievably silly for Calvinists or other Christians to join a *Partij van den Arbeid* (Labor Party) in the Netherlands, which aims at reconciling Calvinism and socialism or its little brother, interventionism. It is, therefore, also pathetic to see the *Anti-Revolutionary Party*, an old Calvinist party in the Netherlands, moving in the same direction in order not to lose members. And it is equally ridiculous to accept ideas put out on the interest question in *God-Centered Living or Calvinism in Action* published by the self-styled Calvinistic Action Committee. The correct description is that this is a lamentable modern degeneration of Calvinism.

fn

The Logic Substantiating That Scripture Is Unqualifiedly In Favor Of Loan Interest In The Economic Order

With the help of John Calvin, and far more so of Karl Marx, and finally with the help of Böhm-Bawerk we can reach a highly probable conclusion, namely, that Scripture in principle is *unqualifiedly* in favor of loan interest in all human interrelations excepting a special group of charity cases.

Marx had no illusions about that; he hated the Christian religion intensely; the issue on which he based his hatred was the existence of interest; he knew right well that the Hebrew-Christian

religion did not teach on interest what he taught. But this awareness of the issue is lost to the Tillichs, Barths, Niebuhrs and Van Tuinens.

Let us reason simply and easily:

1. Loan interest is not separable *in kind* from rent or profits, the two other kinds of interest. Loan interest is not dependent on land rent or profits, but all these three forms of unearned income have a common cause or origin. They all stand or fall together, because they have that common cause (which we are not now explaining) and because they are interchangeable among each other.

2. If Scripture should condemn one of the three forms of interest but accept the others, then Scripture would obviously be illogical. There are only two positions possible: (a) all business interest in all forms is in principle sound; or (b) all business interest in all forms is in principle unsound.

3. Scripture does not condemn any of these forms of interest. It accepts as normal, and not-to-be-criticized, land and capital and money ownership, and the income from them. True, Moses prohibited taking interest from *poor* Israelites; he carefully makes that qualification. He nowhere says that interest *as a business transaction* is prohibited. When Moses wrote about interest he was writing about a phase of charity and not of business or the economic order.

4. A specific return on capital, that is, interest (loan interest, rent, profits) is associated with an *ownership* of capital. Ownership without income from ownership is without meaning. Any alleged ownership without the income from or use derived from the ownership is a pseudo-ownership. *Ownership* is prized largely because of the income (interest) that accompanies the ownership. Everything in Scripture assumes the validity of ownership and the benefits of ownership. Why, in fact, have a commandment, Thou shalt not steal, if ownership and the interest from ownership were invalid?

5. The wide, varied, post-Biblical confusion on the validity of interest is not a confusion that existed in Biblical times.

6. In the present-day sense, the interest problem is hardly 100 years old. The socialists finally in the latest 100 years stated the real issue and gave a *wholly* different answer to that issue than had ever been given before. The social gospel, being nothing more than an attempted moral bodyguard of socialism, has taken over the socialist answer to the interest problem.

7. In the present-day dispute on the enlarged, properly stated real issue, Scripture and socialism take diametrically opposite positions: (a) nowhere does Scripture question interest in a comprehensive business and economic order sense; but (b) at every point socialism and the social gospel and its camp followers question the morality of interest, that is, *unearned* income. fn

An Independent Examination Of What Scripture Teaches On Usury, That Is, On Interest

The problem finally having been stated, let us now turn to what Scripture legislates on interest. The key texts in Scripture have already been quoted, pages 46 and 47, in the February 1957 issue, which see.

Before analyzing these texts independently, it will be well to know what acknowledged Bible commentators or encyclopedias say about these texts on interest.

We quote from the *International Standard Bible Encyclopedia*.

First, in regard to *interest* (our italics):

Interest. The Hebrew word *neshek* is from a root which means "to bite"; thus interest is "something bitten off." The other word, *mashsha'*, means "lending on interest." The Greek term is from the root *tikto*, "to produce" or "beget," hence interest is something begotten or produced by money. The Hebrew words are usually translated "usury," but this meant the same as interest, *all interest being reckoned as usury*.

Long before Abraham's time money had been loaned at a fixed rate of interest in Babylonia and almost certainly in Egypt. The Code of Hammurabi gives regulations regarding the lending and borrowing of money, the usual interest being 20 percent. Sometimes it was only 11-2/3 and 13-1/3, as shown by contract tablets. In one case, if the loan was not paid in two months, 18 percent interest would be charged. Corn, dates, onions, etc., were loaned at interest. Thus Moses and Israel would be familiar with commercial loans and interest. *In Israel there was no system of credit or commercial loans in Moses' time and after. A poor man borrowed because he was poor.* The law of Moses (Exodus 22:25) forbade loaning at interest. There was to be no creditor and no taker on interest among them (Leviticus 25:36, 37). Deuteronomy permits them to lend on interest to a foreigner (Deuteronomy 23:19, 20), but not to a brother Israelite. That this was considered the proper thing in Israel for centuries is seen in Psalm 15:5, while Proverbs 28:8 implies that it was an unusual thing, interest being generally exacted and profit made. Ezekiel condemns it as a heinous sin (Ezekiel 18:13, 17) and holds up the ideal of righteousness as not taking interest (22:12). Isaiah 24:2 implies that it was a business in that age, the lender and borrower being social types. Jeremiah implies that there was not always the best feeling between lender and borrowers (15:10). According to Nehemiah 5:7, 10, rich Jews were lending to others and exacting heavy interest. Nehemiah condemns such conduct and forbids its continuance, citing himself as an example of lending without interest. The lenders restored one percent of that exacted.

In the New Testament, references to interest occur in the parable of the Pounds (Luke 19:23) and of the Talents (Matthew 25:27). Here the men expected to put their master's money out at interest, and condemnation followed the failure to do so. Thus the principle of receiving interest is not condemned in the Old Testa-

ment, only it was not to be taken from a brother Israelite. In the New Testament it is distinctly encouraged. See also usury.

—J. J. REEVE

Next, in regard to *usury*:

Usury. The Hebrew law concerning exaction of interest upon loans was very humane. Hebrews were to lend to their brethren without interest (Exodus 22:25); Leviticus 25:36f.; Deuteronomy 23:19f.). This however, did not apply to a stranger (Deuteronomy 23:20) . . . A fact generally overlooked is that here in Israel commercial loans were practically unknown; Christian sentiment still condemns interest on eleemosynary loans. Oppressive abuses arose during the exile. Nehemiah forced the people after the return to give back exactions of "one hundredth," or one percent monthly which they took from their brethren (Nehemiah 5:10f.; cf. Ezekiel 22:12). A good citizen of Zion is one who put not out his money to usury (Psalm 15:5). One who is guilty of this comes to disaster (Proverbs 28:8).

The Greek word is *rókos, tókos*, lit. "offspring," interest springing out of the principal. Money lenders were numerous among the Jews in Christ's day, and, in the parable of the Talents, He represents the lord of the unprofitable servant as rebuking the sloth in the words, "I should have received mine own with interest."

—EDWARD BAGBY POLLARD

The outstanding ideas in these two independent statements by writers for the *International Standard Bible Encyclopedia* are:

1. Usury and interest meant exactly the same thing in Scripture.
2. Interest rates were very high in business — 20%, 11-2/3%, 13-1/3%, 18%, 1% monthly or 12% a year. No 5% or 6% as in our day.
3. The loans about which Moses legislates were not business loans at all, but what we might call "pawn shop" type of

loans; as Reeve says, "A poor man borrowed because he was poor." This was not the Prudential Life Insurance Company loaning money to the United States Steel Corporation.

4. Christ approved of interest. Reeve writes, "In the New Testament it [interest or usury] is distinctly encouraged"; and Pollard writes, ". . . in the parable of the Talents, [Christ] represents the lord of the unprofitable servant as rebuking the sloth in the words, 'I should have received mine own with interest.'"

5. "In Israel," according to Pollard, "commercial loans were practically unknown." And Reeve writes, "In Israel there was no system of credit or commercial loans in Moses' time and after."

From the foregoing, if it is reliable, an obvious conclusion can be reached, namely, that there is nothing in Scripture which condemns *commercial* loans and interest. But that must be the type of loans to which Van Tuinen's "usury" refers, as he is legislating for an economic order which is to be his Kingdom. He considers it so nondebatable that he says he assumes everybody will agree to his assumption.

Clearly, then, Van Tuinen has not the slightest warrant for condemning commercial interest or usury *on the basis of Scripture*.

We have previously shown (February 1957 issue, pages 55-57) that Calvin favored business loans and interest, and so Van Tuinen cannot have an objection against usury in his economic order (Kingdom of God) by quoting Calvin as an authority.

But Van Tuinen is in agreement with the Tillichs, Barths, Brunners, Niebuhrs and other social gospellers. And they in turn are in agreement with the socialists, fully or partially.

It will be worthwhile to re-read carefully Moses's texts on interest; they are:

Exodus 22:25. If thou lend money to any of my people with thee that is poor, thou shalt not be to him as a creditor; neither shall ye lay upon him interest.

Leviticus 25:35-37. And if thy brother be waxed poor, and his hand fail with thee; then thou shalt uphold him; as a stranger and a sojourner shall he live with thee. Take thou no interest of him or increase, but fear thy God; that thy brother may live with thee. Thou shalt not give thy money upon interest, nor give him thy victuals for increase.

Deuteronomy 23:19-20. Thou shalt not lend upon interest to thy brother; interest of money, interest of victuals, interest of anything that is lent upon interest. Unto a foreigner thou mayest lend upon interest; but unto thy brother thou shalt not lend upon interest, that Jehovah thy God may bless thee. . .

In Exodus 22:25 Moses clearly limits his legislation on loans "to any of my people with thee *that is poor.*" Moses is talking about loans made to people desperate for the necessities of life. He is legislating in the field of charity, not business and the economic order.

In Exodus 25:35-37 he similarly restricts his legislation to loans for urgent, consumer needs or loans to people who are in personal trouble; he begins, "And if thy brother be *waxed poor*, and his hand fail with thee. . .

In the Deuteronomy text we get a distinction on loans from Hebrew to Hebrew versus from Hebrew to foreigners. We believe it is reasonable to declare that the ground for the distinction was that a loan to a foreigner would be a business loan, a transaction on both sides for profit. We would put this in modern language, thus: thou shalt not lend upon interest to a desperate, stricken poor neighbor who needs charity and not a loan; but go ahead and lend on interest to anybody abroad with whom you wish to do business, and whose transactions with you are designed by him to be profitable to himself. For example, say a merchant from Sidon wished to do business with a Hebrew in Jerusalem. But say that it was worth 2% a month for 3 months (a rate of 24% a year) to the man from Sidon not to pay until the end of 3 months. Moses said: that will be all right. It is common sense to view it that way.

We are finally down to the prohibition by Moses on what appear to be consumer (not commercial) loans. It could be argued that consumer loans are now approved by public opinion; many of the people of the United States buy articles on an instalment basis; such loans are loans for consumption goods.

The modern "consumer loan" however cannot be the kind of loan to which Moses referred. Jones today may buy an automobile on instalment payments. But this is not a loan to "the poor" referred to by Moses. Moses was referring to someone getting a loan for the absolute necessities of life: food, clothing and shelter. A loan on a \$3,000 automobile is not a loan of Moses's kind. Such a loan has security behind it, namely, the automobile itself and the insurance policy representing its value.

The abjectly poor in Moses's day were poor because of misfortune or folly.

If their poverty was due to misfortune (sickness, death of a member of the family, storms, droughts, shipwreck, etc.), they were entitled to charity in the economy Moses set up. If they were destitute because of misfortune, then they were entitled to more than a loan plus interest; they were entitled to something better, namely, a loan without interest. They were entitled in some cases to even more, a plain gift, charity.

We are finally left with the problem of loans to the very poor in Moses's time who were poor because of their folly, their genuine lack of judgment or self control—drunkenness, laziness, gambling, taking unreasonable and dangerous risks, lack of foresight. Should those people be loaned money at exorbitant rates or any rate? We imagine Moses pondering in his mind the probable facts in such a case—a fool borrowing and a skinflint lending. What should he legislate? A law which would make the lender greedy, pursuing a would-be borrower who lacked judgment, and urging him to borrow because he (the lender) could exact an outrageous interest? We believe that Moses wrote with a firm and unhesitating and wise hand: *no interest may be charged from somebody whose plight is already proof of his folly or misfortune.*

Such, we are sure, is the only meaning that the Mosaic law against usury can have, to wit, legislation against the exploitation

of the poor, and the seduction of the foolish. On that Moses was admirably right.

The other texts in the Old Testament obviously must cover similar cases to those which we have described. If they did cover other kinds of cases (commercial loans) who can establish that those remarks are absolute or general norms. If anyone so declares, he is obviously unrealistic; the whole modern, free world is honey-combed with the income and the cost of interest. fn

Future Articles On Interest And Van Tuinen's Kingdom Of God

Van Tuinen wants an earthly Kingdom of God. That earthly Kingdom of God is his idea of a proper economic order, or commercial structure. One of the characteristics that he blandly assumes everybody will agree should not exist in this Van Tuinen economic order (Kingdom of God) is *usury*. *Usury* in Scripture means interest, *all* interest, high or low. But only elementary knowledge of economics permits one to reach the conclusion that Van Tuinen does not understand what is involved in the interest problem. What he says about usury is un-Biblical and uneconomic twaddle.

We lack space, however, in this issue to complete our analysis of the validity of usury. We wish to consider Calvin's proposed restrictions on interest qualifying his general approval of interest. We wish further to consider the famous argument of Henry George which, if correct, destroys Calvin's logic on interest. We wish, also, to consider the close relationship of Van Tuinen's idea on usury to the standard un-Biblical idea on usury of the social gospel. We wish, further, to recast the problem of interest (usury) in an entirely different form and consider the reason why the experts on the social order in the Christian Reformed church avoid answering a simple, pertinent question. It will become evident that the answer they will have to give will betray that the principle which underlies their so-called Calvinist and Reformed position is baldly un-Biblical.

Then after completion of our discussion of usury we plan to consider another "evil" which Van Tuinen does not want in his Kingdom of God, namely, *selfishness*. We do not agree with Van Tuinen on *selfishness* any more than we agree to his reactionary, medieval, un-Biblical ideas on usury. fn

Coexistence Of Atheism And Christianity!

Communism, by definition and nature, must be aggressive toward and destructive of all opposition. Its methods are both violent and threatening on the one hand, and blandishing and subversive on the other hand.

Communism should be recognized as an inveterate and mortal enemy. Its pretense of being for peace should not be interpreted as any relinquishment of its designs for expansion, but only as a change in tactics, or utilization of a supplemental tactic. No move by communism, whether threatening, violent, concessionary, cooperative, or mild, should be viewed as a genuinely friendly move, but only as a change in method in order to harm more effectively.

One of the bulwarks against communism and its associated atheism is historic Christianity. Christianity endeavors to survive not by might, but by its spirit. The attack by communism and the atheism associated with it on Christianity is not likely to be by open warfare, but by imprisonment, torture, brain-washing, and also by fine talk of peace and coexistence. Such beguiling words are especially dangerous.

What communism has done and is doing to the Christian churches and their members is well known, although some people are easily talked into believing that world-wide communism would not spell the end of the Christian church as we know it today. In addition to the brutal oppression of church members by communists and their effective suppression of genuine church activity, there is today also their siren call to peace and tolerance and *coexistence*.

This is not an imaginary danger. Consider what appears in *Soviet Survey*, a pro-communist publication, put out in England

(25 Haymarket, London S.W.1). Issue Number 10, for November 1956 has an article entitled "Dialogue with the Churches" by George Lukacs, a communist ideologist. In this article Lukacs makes the following points; he is addressing fellow communists:

1. There is a new situation in world culture. There is the potential development of a situation of *coexistence*. This can be extended to the field of religion, a field which he says "we [the communists] tend to neglect." Lukacs wishes to promote coexistence between communism and religion; (shall we say atheism and Christianity?).

2. He quotes Lenin's idea that interest in religion in our time is a by-product of the "insecurity created by capitalist living conditions." The corollary idea is that under communism everybody, including former preachers, will be so secure that they will not need Christianity to sustain them.

3. Next, Lukacs comes to his hope of obtaining an ally for communism (and atheism) in the western churches. He has two hopes, the Protestants and the Catholics.

4. In regard to the Protestants he begins with the "Dane, Kierkegaard" (1813-1855) whom he (Lukacs) describes as an "uncommonly reactionary thinker" because he had the Lutheran idea that "all authorities are instituted by God," which Lukacs correctly interprets in practical affairs as the doctrine that people "are obliged to support the government of the day, no matter what it is." Then Lukacs goes on to mention his white hopes, Niemoller and Barth and their followers. He makes the point that Niemoller and Barth

- (a) were not only opposed to Hitler; but
- (b) "are in opposition to the imperialist policy of the Adenauer government."

Lukacs writing to his own group, says: "There must be many among us who know the name of Dr. Niemoller; he was here in Budapest for a meeting of the World Peace Council." (This is a communist-dominated "peace" council.) Lukacs says no more of Barth, but Lukacs undoubtedly knows that Barth has advised the Reformed in Hungary not to resist the Hungarian communist

government. Lukacs feels that he has grounds for being encouraged; despite a reactionary philosophy of government on the part of Kierkegaardians, there is, he says, "an interesting and fruitful contradiction" to that, namely, the *practical* policy of these men bids fair to promote *coexistence* with communism. Here is his argument: we should be encouraged and cheerful; Niemoller and Barth are against Adenauer (the West German chancellor) and attend our "peace" meetings and tell Christians under communist regimes not to be in opposition as they have advised the people in West Germany to be against Adenauer. That, it should be noted, is the view of a communist ideologist talking to his own associates!

5. Lukacs has a second hope, in this case in the Catholic church. He believes that there is evidence of an "inner crisis" in modern Catholicism. He refers to "worker priests" in France, and the efforts of the Catholic church to control the democratic mass movements ("Christian Social movement"). Lukacs takes courage and is pleased that the pope has spoken (1) against atomic warfare; and (2) has refused to accept identification of the Catholic church with western culture. Then Lukacs goes on to refer to Professor Wetter, of the Papal Academy in Rome, who has been promoting the idea that Thomist doctrine (the prevailing Catholic doctrine according to Thomas of Aquinas) and Marxist (communist) doctrine have similarities. This idea from Wetter's book is being developed by a professor in theology at Gratz (in southeastern Austria) named Reding. Reding has paid a visit to Moscow, and has taken "part in a discussion on atheism" at the Institute of Philosophy in the Moscow Academy of Sciences. This is the promising *coexistence* movement from the Catholic side. Lukacs adds:

Although this new way of facing the problem is only beginning to emerge, I am convinced that it reflects a feeling among many Catholics that it would be fatal for the Church to tie itself unconditionally to the chariot of imperialist capitalism.

A friend who was in Europe last summer (1956) has expressed great anxiety about this program of the communists to develop *coexistence* of communism with Catholicism and the responsive action of some Catholics to the communist seduction; he believes that this

new infiltration is being skillfully executed by communists and that great damage has already been accomplished among Catholics.

As Protestants we may well take stock of the situation. Two prominent, influential leaders of Protestantism in Europe are Barth and Niemoller. These men are playing "footsie" with communism. The Lukacs and other communist ideologists are hopeful of developing fully with both Protestants and Catholics the idea of *coexistence*.

But the *coexistence* about which the communists talk really means infiltration, subversion, and eventual destruction of Christianity. We are being led like oxen to the slaughter. fn

Old-Testament Character Of Old Calvinism And Of Progressive Calvinism

We consider the Old Testament and the New Testament to be a unity. We do not consider that the teachings of Christ differ from the teachings of Moses. They are basically identical. The Scribes had interpreted Moses in a manner that changed the spirit of what Moses taught. Christ merely interpreted Moses in the only spirit in which it was correct to interpret Moses.

If that is accepted, then the Old Testament becomes a prime source of practical ethical ideas to guide this life. PROGRESSIVE CALVINISM is Old Testamentish and given to using the Law, Proverbs and the Psalms.

Weber* calls attention to the same characteristic of the Puritans and their contemporaneous fellow Calvinists. Weber writes:

It is important to note that the well-known bibliocracy of the Calvinists held the moral precepts of the Old Testament, since it was fully as authentically revealed, on the same level of esteem as those of the New. It was only necessary that they should not obviously be applicable only to the historical circumstances of the Hebrews, or have been specifically denied by Christ. For the believer, the law was an ideal though never quite attainable

*Max Weber: *The Protestant Ethic and the Spirit of Capitalism*.

norm while Luther, on the other hand, originally had prized freedom from subjugation to the law as a divine privilege of the believer. The influence of the God-fearing but perfectly unemotional wisdom of the Hebrews, which is expressed in the books most read by the Puritans, the Proverbs and the Psalms, can be felt in their whole attitude toward life. In particular, its rational suppression of the mystical, in fact the whole emotional side of religion, has rightly been attributed by Sanford to the influence of the Old Testament. (Page 123.) fn

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The Centenary Of The Christian Reformed Church

The Christian Reformed church, an extraordinary denomination, of Dutch origin, Reformed in doctrine and Presbyterian in church government, with 211,454 souls, is celebrating its *centenary* in 1957.

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The experience of many has undoubtedly been such that they will praise this "institution" for great benefits received. There will be impressive ceremonies thanking God, imploring His blessing for the future, and recounting past achievements.

Although a centenary is a natural time for self-congratulations, we might wisely on the occasion of this centenary appraise ourselves critically. There are reasons for believing that the seeds for the dissolution of the distinctiveness of the denomination have already been planted in the denomination.

In this issue we shall consider two matters which may properly be considered unfortunate:

1. The growth of a doctrine which exposes the denomination to the charge of being sanctimonious; and
2. The intellectual bankruptcy of the denomination on the most dangerous practical problem of the age.

Our treatment will be popular in form in this "centennial issue." More detailed arguments will be presented as opportunity presents itself.

What is here written about a situation in one denomination is probably equally true in other denominations. We write about a symptomatic and not an isolated situation. fn

I. SANCTIMONY

The Ambulance In The Valley

The poem which follows is entitled "The Dangerous Cliff" but we remembered it as "The Ambulance In The Valley."

We have asked ourselves the question: What practical things in life are ambulance-in-the-valley types of operation? And then an interesting association of ideas developed in our mind: Is the Social Gospel an ambulance-in-the-valley type of religion? And then another thought: Is the Christian Reformed church drifting in the direction of being an ambulance-in-the-valley type of religion?

The Dangerous Cliff

'Twas a dangerous cliff, as they freely confessed,
Though to walk near its crest was so pleasant;
But over its terrible edge there had slipped
A duke, and full many a peasant.
The people said something would have to be done,
But their projects did not at all tally.
Some said, "Put a fence round the edge of the cliff;"
Some "An ambulance down in the valley."
The lament of the crowd was profound and loud,
As their hearts overflowed with their pity;
But the cry for the ambulance carried the day
As it spread through the neighboring city.
A collection was made, to accumulate aid,
And the dwellers in highway and alley
Gave dollars and cents — not to furnish a fence —
But an ambulance down in the valley.

"For the cliff is all right if you're careful," they said;
"And if folks ever slip and are dropping,
It isn't the slipping that hurts them so much
As the shock down below — when they're stopping."
So for years (we have heard), as these mishaps occurred
Quick forth would the rescuers sally,
To pick up the victims who fell from the cliff,
With the ambulance down in the valley.

Said one, in his plea, "It's a marvel to me
That you'd give so much greater attention
To repairing results than to curing the cause;
You had much better aim at prevention.
For the mischief, or course, should be stopped at its source,
Come, neighbors and friends, let us rally.
It is far better sense to rely on a fence
Than an ambulance down in the valley."

"He is wrong in his head," the majority said;
"He would end all our earnest endeavor.
He's a man who would shirk this responsible work,
But we will support it forever.

Aren't we picking up all, just as fast as they fall,
And giving them care liberally?
A superfluous fence is of no consequence,
If the ambulance works in the valley."

—Reprinted from Vol. 16, No. 11, December 1956 *Koehring News*.
Origin unknown to us. Regret not being able to name the author.

The Householder Whose Glass Door Was Broken

The door of a nearby house has an all-glass door with an aluminum frame.

A young man, believing the door unlatched, struck his shoulder against the glass and shattered it.

Two weeks later, when the door was this time being operated without abuse, the new glass shattered suddenly. The owner wondered whether the new glass had been improperly installed; if so, the glazier could be held responsible.

The glazier, however, (as was natural) declared that the installation had been proper. He asked at once whether there was insurance that would cover the cost of the repairs. He was told, no. It was suggested by the young man who had broken the original glass that the owner should carry insurance to protect himself in the future.

The insurance approach would release the owner from the *initial* loss on the broken glass. The insurance company would thus become the initial victim (1) of carelessness or (2) of improper installation. An insurance company is, however, no everlasting fountain of money. It cannot stay in business if required to pay out more money than it has received from insurance holders and from stockholders. If "experience" with glass doors is bad, then the rates for such insurance will have to be raised. As an insurance holder, the owner would eventually be obligated to pay a higher insurance premium. What will he then be doing? Merely paying in annual sums (that is, premiums) enough money to take care of the frequent breakage of the glass in the door, and also leave the insurance company a profit. It might appear that the

insurance company as an ambulance-in-the-valley was a gift or a boon to insurance holders, but really it was something they had paid for in advance (or would have to pay for in the future).

What would be alternative solutions to the problem? There are several: (1) less carelessness; (2) proper installation; (3) avoidance of letting moisture condense on the door, run down between glass and frame, freeze, and so create stresses which would result in the glass shattering; (4) changing the structure of the door to avoid stresses on the glass; or (5) putting in an entirely different type of door. These solutions are all fence-around-the-cliff types of solutions.

The editors of *PROGRESSIVE CALVINISM* are fence-around-the-cliff men and not ambulance-in-the-valley men. They are not the type which would fail to put up a fence and have 10 ambulances in the valley; nor would they have a flimsy or semi-adequate fence and 5 ambulances in the valley; the situation, if left to them, would probably be a steel, closely-woven, seven-foot high, heavy duty fence — and proportionately fewer ambulances in the valley. fn

Religion's Ambulance-In-The-Valley

There is a perfect example existing today of an ambulance-in-the-valley religion.

We refer to the religion of Bishop Anders Nygren of the State church (Lutheran) of Sweden. One of its theological schools is located at Lund. Nygren and Aulén are the two men who have made the Lund theological school of thought famous throughout the world. We would say that the most-popular modernist schools of religious thought in Protestantism are the Barth-Brunner school and the Lund school.

A nation, as Sweden, which has an established state church, will naturally have a state-controlled faculty in theology. A faculty in a state-controlled church will represent diverse views, some orthodox and some modernist.

Nygren's views, although colored by historical Lutheran ideas, are not traditional Lutheran ideas.

Enoch E. Mattson in his "Lundensian Theology And Motif Research" in the paper presented at the Evangelical Theological Society (December 1955) at Grand Rapids, Michigan, wrote as follows (see "Papers . . . read at the Eighth Annual Meeting of the Evangelical Theological Society, John F. Walvoord, Editor, 3909 Swiss Avenue, Dallas 4, Texas):

Although the Lundensian school of theology does not loom as large on the contemporary theological scene as some of the other dominant emphases, it must nevertheless be recognized as a vigorous movement. It has furnished leadership and considerable impetus to the modern ecumenical church movement, with some of its doctrinal emphases — the doctrine of the church, and the doctrine of *agape* — definitely slanted in the direction of ecumenicity. Two of the monographs produced by Lundensian theologians — *Christus Victor* by Gustaf Aulén, and *Agape and Eros* [ag'a pē and er'os] by Anders Nygren — appear to be gaining recognition as classics and making considerable impact on the theological thought of our day.

We consider the basic ideas of Nygren in his book, *Agape and Eros* (translated by Philip S. Watson, The Westminster Press, Philadelphia, 1953) to be the acme of sanctimoniousness.

The words *agape* and *eros* both mean "love." If the words had been translated in the customary manner, the English title of the book would read *Love and Love*. Obviously, Nygren is writing about two kinds of love.

It is not possible to make clear the difference between *agape* and *eros* by means of a short title. Nygren takes more than 200 pages to describe the meaning of *agape* and *eros*. If a short descriptive title were attempted, the title might be "Unmotivated Love and Motivated Love."

(1) A "motivated" love is a love influenced more or less by self-interest; such love is *eros*. For example, a young man loves a girl and wishes to marry her. He wishes to make her happy, but he also wishes — and here the *eros* motive enters in — that she will make him happy himself, or at least it makes him happy to think that he is making her happy. His love is motivated by self-inter-

est to a degree. *Eros* may be a very high and lofty type of love, but it has in it an alloy, says Nygren — the alloy of self-interest or self-benefit.

Eros (which derives from the name of the Greek god of love) sometimes has an unfavorable meaning. *Eros* includes sexual love. Because "love" related to sex is subject to insincerity and betrayal, *eros* often has an evil meaning. The common English word, *erotic*, derived from *eros*, is defined as "of or pertaining to passionate love." The term *erotic* sometimes refers to excessive sexual desires, and may mean the same as *oversexed*.

But Nygren uses the term *eros* only in a good sense, that is, he applies it to proper love of any kind which has some motive in it more or less of self-interest. *Eros* is *motivated*.

(2) *Agape*, according to Nygren, is a nobler love; it is *unmotivated*. *A* loves *B* although *B* is unworthy of love and although *A* will get no benefit for himself from it in any degree. *Agape* is not a love which "discriminates" by loving *C*, who is wise, good, handsome and gentle, more than *D*, who is foolish, wicked, ugly and violent. Such a difference in love toward *C* and *D* would discriminate according to merit and in that sense be motivated by the differences in the objects loved.

This *agape*, according to Nygren, is a godlike love. The *real* Christian religion, he says, describes God's love toward sinners as being a love which is above self-interest and which is not reduced because of any unworthiness in the person loved. The essence of the Christian religion, in Nygren's opinion, is the *agape* of God toward men — a love unmotivated by any selfishness and unalterable by any unattractiveness in the object of that love. When God loves men not for himself and despite the unworthiness of men, then that love is *agape*.

(The love of God in predestination is *agape*. However, if God predestined persons to salvation for his own honor and glory or for any satisfaction for himself then that "love" cannot be *agape* any more, in the Nygrenian sense of unmotivated love.)

When religion uses two words, *agape* and *eros*, for love, then the difference in meaning can, in the opinion of some scholars, be

settled by studies of the origins of these words, but etymological studies are, in our opinion, practically valueless. Context and deliberate definition should determine meaning. Scripture defines *love* repeatedly and exactly, and not at all as Nygren endeavors to define love, and as he endeavors to discriminate between *agape* and *eros*.

The use of *agape* by the Apostle Paul, when he became lyrical and poetic about love in I Corinthians 13, has caused English translators considerable trouble. The King James translators in the seventeenth century were reluctant to translate *agape* as *love*; instead they translated it *charity*. This is an astonishingly different idea in English than *love*. This dilemma of the translators is a perfect illustration of the problem of the meaning of words in Scripture, and should make everyone wary of belaboring words and lucubrating over etymological origins of words.

Nygren has developed the idea of *motifs*. Mattson writes about that as follows (our italics):

The method [of the Lund school] has been that of motif-research — a method which it is claimed is strictly scientific.* The task and method of theology, it is urged, is not apologetic, nor speculative, nor one of appraisal — that is, of attempting to assess or evaluate. It is rather conceived as descriptive, and can therefore claim to be scientific and objective. The attempt is made to press beyond the terminology or the form of expression of a writer to the real meaning or motif that was in his mind as he wrote.

When Nygren then asks the question, what is the fundamental *motif* of Christianity, he answers it by saying *agape*, not *eros*, not *nomos*.

(3) *Nomos* is the third essential term in Nygren's thinking. *Nomos* refers to *law*. *Nomos*, according to Nygren, is the motif of the Old Testament. *Nomos* is basically a different motif than either *eros* or *agape*.

In Nygren's thinking, anything that does not have the motif

*This claim can easily be rebutted.—Editor of PROGRESSIVE CALVINISM.

of *agape*, unmotivated love, is not the genuine article in religion. *Eros* will not do. And *nomos* is even worse. The ensigns and banners of Christianity must move forward with only one slogan and one device — *agape*, unmotivated God-like love. He believes that this *agape* is the key, the sesame, to every problem in life.

Anyone who concerns himself about the law, *nomos*, is a person who emphasizes the "fence on the cliff." The Law is designed to keep people from falling; likewise, the fence on the cliff. When Nygren disparages the law he is disparaging the "fence on the cliff."

But Nygren's ambulance in the valley is terrific — *agape*, unmotivated love. Here is the divine and the perfect, the God-like and the genuinely Christian. As the victims come plunging over the cliff Christianity is to rush up with the ambulance; ask no questions; manifest love — *agape*. That, says Nygren, is the quintessence of the Christian religion, love (*agape*) and not law (*nomos*). We consider this to be a dangerous half-truth, and unalloyed sanctimoniousness.

The Second Table of the Law, which specifies the relation of men to men, says, Thou shalt love thy neighbor *as thyself*. The words *as thyself* are obviously words referring to motivation.

It is Nygren's corruption of the meaning of *agape* which constitutes his mistake. It is that corruption of the meaning of *agape* which is widely accepted.

We have developed an intense aversion to a sanctimonious definition of *agape*. We dislike an impossible, pharisaical religion — one which by very definition itself must be that. fn

Classic Irrationality

Nygren writes (page 91, his italics) :

Now at last we are in a position to define the Christian meaning of the commandment of love. *The Agape that is required here has its prototype in the Agape manifested by God, and therefore it must be spontaneous and unmotivated, uncalculating, unlimited and unconditional.*

Spontaneous? Unmotivated? Uncalculating? Unlimited? Unconditional?

We would combine all these grandiose descriptions of *Agape* into one word, *irrational*. The sentence would then read:

The *Agape* that is required here has its prototype in the *Agape* manifested by God, and therefore it must be *irrational*.

because anything which is a combination of the spontaneous, the unmotivated, the uncalculating, the unlimited and the unconditional is perfect irrationality — by definition.

Nygren may declare that God's love is *unmotivated* (as he laboriously defines it). We do not consider God's love to be unmotivated in any sense that can be understood by men.

Practically every page of the 202 pages which Nygren uses for his explanation of *agape*, *eros* and *nomos* contains a fallacy or absurdity. There is nothing in the world and in life that can correspond in reality to Nygren's doctrine of *agape*.

When Nygren begins on page 95 with the subject *love for one's neighbor*, he endeavors to make four points.

(1) Neighborly love has a religious basis, that is, its context is the "fellowship with God." The laws are so closely related that they almost appear to be *one* law.

(2) Nevertheless, the requirement to love God and the requirement to love the neighbor are *two* separate commandments.

(3) But there is no *third* commandment on love, as those infer who declare men should love themselves because the commandment reads, *Thou shalt love thy neighbor as thyself*. Nygren denies that you should love yourself.

(4) And you should love your enemies.

This "religion" then gets down to this. You should be spontaneous, unmotivated, uncalculating, unlimited and unconditional in your love (*agape*) toward God, your neighbors generally and your enemies also, but none of these things toward yourself! We lack space in this issue to analyze the foregoing ideas.

The idea involved in the foregoing is present in the thinking of men as Rev. Peter Van Tuinen when he condemns "selfishness." (See his article in *God-Centered Living or Calvinism in Action* quoted on page 68 in PROGRESSIVE CALVINISM, March 1957.) One of the stupendous fallacies and hypocrisies of modern "Christian" religion is the assumption or allegation that selfishness — any concern for the self — is evil. The idea is that men must live for God, for their neighbors and their enemies — but *never* for themselves. That would be sin!

This doctrine of love by Nygren is the same doctrine of love that Karl Marx taught — from each according to his ability to each according to his need.

Nygren's doctrine of love can be used as a pious "rationalization" of communism's demands. fn

Refined Seduction Versus Vulgar Seduction

Men have developed innumerable ways of perpetrating that evil which may be described as the seduction of women. Arbitrarily, we shall classify these methods into two types, the vulgar and the refined.

The vulgar consists of exploiting a woman's response to off-color jokes, etc. We forbear cataloguing a long list.

The refined consists in being more indirect and pretending to be thoughtful and kind. Some years ago a married man committed suicide. A mistress whom he had acquired was heartbroken. The newspapers reported her anguished lament: "He was so wonderful; so kind; he persuaded me to read good books; he taught me all kinds of things I did not know; he made me so much better than I was. Oh, Oh!" This seduction involved a *refined* technique; an evil was perpetrated under the shelter of apparent good.

The "Christian" religion is being seduced by Nygren's definition of love, not by a vulgar method but by a refined method. Nygren defines *agape* so high and elevated that no Christian theologian dares to question it. Christianity is supposed to be the acme of what is wonderful. Therefore, the Christian religion feels obligated to define *agape* idealistically high, and no one dares to

question the correctness of that, no more than the suicide's mistress questioned the good intent of the educational acts which in his lifetime he had done for her — in order to seduce her and keep her happy as his mistress. Nygren's definition of *agape* seduces theologians as the suicide's educational efforts seduced his mistress.

There is considerable criticism of Nygren as a modernist in religion which he indisputably is, but there is practically no question anywhere about his doctrine of *agape*. It is too lofty properly to be suspected!

When theologians reject the idea that sanctimoniousness about *agape* must be evidence in itself of good intent, and examine whether Nygren has defined *agape* Biblically, this refined technique of seduction will fail.

fn

The Significance Of The "Attributes" Of God

If a man begins as a humanist and trusts his reason only, he will end up with the proposition of the ancient Greek Sophists: "man is the measure of all things," that is, everything will have to be judged by human reason and there is nothing beyond it. With Socrates he may then come to the proposition that "if man is the measure of all things," then he certainly ought to say to himself "know thyself."

The Christian religion has a base outside human reason, to wit, revelation. Eventually, then "man is not the measure of all things," but that measure is God speaking through Scripture.

The word, God, is merely a three-letter word of no precise meaning until the "attributes" of God are specified. In orthodox Calvinism, therefore, everything finally depends on the alleged attributes of God, based on an interpretation, correct or incorrect, of Scripture. These attributes have traditionally included love, justice, righteousness, hatred of evil, omniscience, etc. In old and orthodox Calvinism there is a substantial emphasis on God's hatred of evil and his righteousness and justice.

In Nygren's religion of *Agape*, God's attributes are reduced to one — love, incorrectly defined. This attribute overwhelms everything.

If any professor at Calvin Theological Seminary defines God or the idea of *agape a la* the Nygren definition of love, he deviates from the historical Calvinist position. fn

Peering Over The Cliff

In former days when the road was less-improved, an automobile trip over the mountains in Colorado from Montrose to Silverton and Durango was a hair-raising experience. The abyss at the edge of every curve could paralyze a person with fear.

Let us crawl on all fours to the edge of the cliff and peer down into the shadows of the valley and see whether there are any Christian Reformed ambulances below. If we shade our eyes with our hands, we shall be able to see how favorable the ambulance situation is.

There are, it becomes obvious, several lines of ambulances like several lines of cabs at cabstands in large railway stations or airports.

There is a *theological* line of ambulances. One of the several drivers in this line-up of ambulances is Henry Stob, professor of ethics and apologetics at Calvin Theological Seminary. His definition of *agape* has an affinity to the Nygrenian definition, as is quite evident from his views on the racial question. Besides Henry Stob there are others, George Stob, Harry Boer, James Daane — the editors generally of *The Reformed Journal*.

There is also a social science line of ambulances. They also have the label *agape* on them, with "nondiscrimination" printed below it in small type. To "discriminate" obviously involves motivation. To be "nondiscriminatory" is to avoid motivation. Anyone who discriminates cannot rise beyond *eros*, but *eros* is alleged not to be the real spirit of Christianity. It is defective. We need *agape*. We can identify some of the "nondiscrimination" ambulance drivers — Prof. Donald Bouma, Rev. Peter Van Tuinen, Dr. Gerrit Heyns, Rev. Clarence Boomsma.

So many ambulances might cause traffic congestion. Is there no traffic cop? There is. He is a veteran. Many of the individual

ambulance drivers are his protégés. However, these ambulance drivers have become well trained. They are now operating largely on their own experience, without extensive guidance from the veteran traffic officer.

fn

Stromata

Stromata is a Greek word. We have known the meaning but we have forgotten it; it does not matter. *Stromata* is the name of a new publication put out by the students of Calvin Theological Seminary, Grand Rapids, Michigan.

The first issue appeared on March 15, 1956. A second issue appeared on October 3, 1956; it begins with "A Word Of Greeting" from John H. Kromminga, president of the Seminary. He wrote: "We commend *Stromata* and its writers to the charitable judgment of the public. . . . If as writers and readers we can exercise due Christian patience and charity, both writers and readers may grow in grace and in knowledge. We respect this plea for "patience and charity." When we quote from *Stromata* in what follows, we are not thinking so much of what the students have learned as from whom they may have learned it.

The December 1956 issue of *Stromata* contains an article entitled "Anders Nygren." We quote from this article a paragraph which excellently states the Nygren doctrine on *agape*.

. . . Nygren formulates the fundamental motif of Christianity as Agape, and contrasts it with its pagan rival, Eros. He further describes the vicissitudes of the Agape-motif throughout the Christian History, until and including Luther. Agape is unmotivated, uncalculated, disinterested Love. Properly it can be ascribed to God alone. Agape is God's way to man, Christianity's only solution to religious fellowship: God coming down, seeking and finding sinners. Eros is Agape's enemy. Eros is a yearning desire, an appetite aroused by the value of its object. Agape is value-blind and value-creating. Fellowship in the sense of the Eros-motif means to satisfy the spiritual hunger by the possession and enjoyment of Divine perfections. Eros, as self-love rightly understood, makes a person strive

to ascend to God, his *summum bonum*. Eros is egocentric; Agape is theocentric. Agape-love to God cannot exist by definition. Therefore Paul calls it "faith." And when a man by faith has been made receptive for fellowship with God, God's Agape comes and dwells in him and streams through this Christian out to the neighbor — not caring whether this neighbor is a relative or an enemy (or both). A Christian is one whose heart has been possessed by God's Agape; a Christian simply loves. Freely ye have received, freely give. Self-love cannot exist.

Later in the same article the following appears:

Nygren's commentary on Romans can be read because it is not one of the analytical kind but is one of the kind which takes after Luther and *Calvin* [our italics]. We recommend his book, *The Gospel of God* (104 pages), a pastoral letter by Bishop Nygren to the ministers of his Diocese.

The student who writes the foregoing later adds (our italics): "It [*Agape and Eros*] is a fascinating book and *its fundamental thesis is true*." The article ends with "Nygren is an *evangelical Christian who bows low before Scripture* — but not before every verse in it."

That the atmosphere at Calvin Theological Seminary is not entirely unsympathetic to the sanctimonious and un-Biblical doctrine of Nygren is obvious.

Of course, *agape* is a term to conjure with. Historical Calvinism has always been more realistic than to write a panegyric about love *and love alone*, as Nygren does. fn

Nygren And Nels Ferre

In a book review of *Agape And Eros* by Dr. J. R. Richardson in *The Southern Presbyterian Journal*, October 26, 1955, the following comment appears:

Outstanding as this volume is it must be read with caution. Unless it is, it can lead to positions which are

not theologically correct. For example Nels Ferre in his book "The Christian Fellowship" implies that his position on universalism has been derived from the study of this work of Nygren's. Ferre, Reinhold Niebuhr and a number of other present day theologians push "Agape" to such an extreme that the Biblical doctrine of hell is undermined.

This judgment of Nygren's book is more tolerant than ours. We do not consider the book to be "outstanding." We consider the basic idea of the book to be sanctimonious twaddle about love, wholly unworkable, a fit subject for rejection by people of common sense. The *agape* doctrine is as unbalanced as any that modern liberalism has produced.

Nels Ferre, a Swedish immigrant to the United States to whom reference is made in the foregoing quotation, has at some time or other written or said (if we remember correctly) that the God of the Christian Scriptures was a "great bully."

In the September 7, 1955 issue of *The Southern Presbyterian Journal* the following article by Dr. L. Nelson Bell appears:

Dr. Nels Ferre And Lake Junaluska

The *Christian Century* and the *Presbyterian Outlook* are both concerned because the executive committee and the board of trustees of the Lake Junaluska (Methodist) Assembly cancelled the scheduled Bible talks by Dr. Ferre for August.

Our only information as to why and how this was done has come from the daily newspapers.

However, according to Dr. Ferre's own books he: (a) Does not believe that Jesus was sinless; (b) Denies the Virgin Birth; (c) Admits the possibility that Christ may have been the bastard son of a German soldier quartered near Nazareth; (d) Flatly affirms, "Jesus never was or became God"; (e) Questions the reality of the resurrection: "But we know neither that this event actu-

ally happened nor exactly what took place"; (f) Speaks of the Bible: "The use of the Bible as the final authority for Christian truth is idolatry"; (g) Although teaching in a Methodist seminary he is actually a Universalist and speaks of "the Hindu branch of the Church of the living God."

fn

Synopsis

There is a sanctimonious modern religion which may be described as *agape* religion. It is a religion hostile to a fence-on-the-cliff religion, a religion which has law (*nomos*) as part of its "motif." It disparages rationality in relationships between men; it considers any "love" which is motivated, even though understandably motivated, nevertheless to be non-Christian, only *eros*, a motivated love. This *agape* religion sounds so good and lofty that theologians are afraid to attack it boldly; they are seduced by its pretended loftiness. If "God is love" only, and if love is defined as Nygren defines *agape*, God's attributes are practically all reduced to one attribute, irrational love.

There are obvious driftings toward and acceptances of the *agape* doctrine by members of the Christian Reformed church. An extensive list of names could be mentioned; foremost are the names of the editors of *The Reformed Journal*. Probably considerable sympathy has been engendered at Calvin Theological Seminary for the *agape* religion. One student, at least, thinks well of it.

The *agape* religion tends toward perfect ecumenism and universalism. God is *agape*! Punishment is irreconcilable with *agape*.

fn

II. DIALECTICAL BANKRUPTCY

Lester De Koster's "All Ye That Labor"

Lester De Koster is Director of the Library of Calvin College and Seminary. He has also taught (probably still teaches) courses in public speaking for theology students. He has written a book, *All Ye That Labor* (Wm. B. Eerdmans Publishing Co., Grand Rapids, Michigan, 1956). The book has the sub-title, "An Essay On Christianity, Communism And The Problem Of Evil."

De Koster is against communism. But the principle reason, in our opinion, why communism has made such enormous progress is exactly because of ideas such as are in this book, *All Ye That Labor*. Expressed another way: De Koster's ideas are one of the "causes" for the spread of communism, for its vitality, for its appeal to the masses.

We consider this to be not only a slightly startling indictment, but also an indictment that needs something to substantiate it. We address ourselves to that requirement in the remainder of this issue and the next.

There was a time when we occupied practically the same position that De Koster occupies now. But we have abandoned it. It is, we have been convinced, an erroneous and inadequate and illogical view of the issues between Christianity and Communism.

It is not that what De Koster says in criticism of communism is in specific statements erroneous. As far as he goes, what he says appears to be generally right and always brilliantly done. His deficiency is in what he does not say against communism, but which he should say and which touches the heart of the issue. It is the omission which is fatal. There is evidence that De Koster does not know the basic answer to the really crucial question between Christianity and Communism.

We are not in this instance taking issue with an intellectual commoner. De Koster's native mental furniture is some of the best available in Grand Rapids, Michigan. Among the younger intellectuals he has as brilliant and constructive a career before him as any — *provided* he is able to take a different road from the one he is now on. It is because of the excellence of De Koster's talents and the artistic skill which he evidences by this book that we review it vigorously.

The critique which follows may not be welcomed by some. In this connection we think hopefully of an anecdote, about a controversy between Themistocles, the Athenian, and Eurybiades, the Spartan. Themistocles, threatened with a blow, pleaded with his adversary as follows, "STRIKE, BUT HEAR ME." To all who are alarmed about our foregoing formulation of a grave problem, we say with Themistocles, "*Strike, but hear us.*"

It has taken De Koster 123 pages to tell his story. It would take us as many to take complete issue with him, and we shall need the space of many more pages to develop the real counter argument against Marxian communism. We shall merely be repeating what others have said earlier *and better* than we shall say it! We shall add only one thing new — if it is new — namely, the harmony of the *logical* rebuttal of communism with the *scriptural* position on the issue which is involved.

This, we believe, is the situation:

1. Originally, Christianity *basically* rejected Marxian communism from a general feeling (not a conclusive argument) that it was wholly incompatible with Christian ethics.
2. Presently, "Christianity" has come to view Marxian communism more tolerantly and either (a) admits its most basic premise, or (b) evades arguing about it, because it does not know how to answer the basic communist argument.

De Koster's book falls into category (2b). The situation requires a *logical* answer which will meet head on and devastate the basic Marxian argument for communism. fn

The "Issue" Between Communism And Christianity

The most fundamental idea of Karl Marx, the founder of modern socialism-communism, is that God was a scoundrel and Moses a fraud when they legislated in favor of private property and its concomitant, *unearned* income, by means of the Eighth Commandment, Thou shalt not steal. To legislate against stealing implies the genuine right to private property; and private property is valued primarily because it yields an *unearned* income.

Any private property, according to Marx, *any* ownership, say, of land, is unmitigated evil. In fact, according to Marx, private ownership is *the* evil of the world, *the* basic evil of society. Oh yes, Marx would not argue about your holding tightly in your hand, as a baby holds a piece of candy, some inconsequential bauble that nobody else wanted. But if anybody else coveted it, you no longer had a genuine, *imprescriptible** right of possession.

*Imprescriptible — incapable of being either lost or acquired by prescription; inalienable.

When Marx talked about private property, he especially had in mind factories, shops, railroads, and *productive* equipment (and not *consumption* goods), but an exact dividing line between the two is not traceable. In practice there is, in communism, no im-prescriptive *right* to *any* private property, productive or consumptive.

What, stripped down to bare essentials, is Marx's argument?

1. All *value* is produced by labor. There is no other *value*.

2. The employee should get the *full value* of *all* that his labor has produced.

3. If an employer gets any part of what is produced by the employee, then the employer is an exploiter, a damnable scoundrel. That an employer or an owner gets anything is immoral.

4. God through Moses is alleged to have legislated laws which give the owner or employer part of what the laborer or employee produces. God, when He legislated thus, was grossly immoral and *completely* wrong.

5. Genuine right and the proper moral law are just the reverse; real private ownership of property may not be permitted; *unearned* income from ownership by a land owner, property owner, or employer is conscienceless wickedness. Let the Law of God in regard to the Eighth Commandment be damned!

It was not until the nineteenth century A.D. that a man (Karl Marx) lived who so basically attacked the morality of God, as taught in the Hebrew-Christian Scriptures, that there is nothing left of the Eighth Commandment. Either Scripture is all wrong, or Marx is all wrong. Of all things, Marx was no petty quibbler. He was one of the greatest revolutionaries toward God who has ever lived.

Marx did not teach that an owner is entitled to *some* income. He insisted that the owner was not entitled to *any* income. Every *unearned* income is, says Marx, evil. Any answer to Marx must meet up with this issue as Marx relentlessly formulated it.

Does De Koster meet that issue head on? Not at all. He does not put in a word of *real* defense for the legislation by God in the

Eighth Commandment in the Decalogue.

Marx, it should be carefully noted, comes up with an argument from "logic" or "reason" to support his proposition, that (1) ownership and (2) income from ownership are evil.

De Koster dodges that logical argument. He does not endeavor to refute it. In effect, therefore, he concedes that Marx is basically right when he declares that God and Moses are immoral. If De Koster fails to attempt to answer Marx, God is left exposed to the basic indictment that He is an immoral legislator.

When De Koster fails to attempt to defend basically the im-prescriptive right of private property and turns instead to interventionism, he does not occupy an isolated position on this issue in the Christian Reformed church. Professor W. Harry Jellema, head of the philosophy department of Calvin College is also an Interventionist, in an economic sense. Readers may remember the public discussion several years ago between

1. Rev. Norman Thomas, advocating Socialism;
2. Rev. Stanley High, advocating Capitalism; and
3. Prof. W. Harry Jellema, advocating neither Socialism nor Capitalism, but Interventionism.

This Interventionism of Jellema, and of many latter day members of the Christian Reformed church, is equivalent to a refusal to meet head on the basic argument of Marx for socialism-communism. In the public discussion just referred to, the man representing Capitalism, Stanley High, at least was willing to argue the real issue, namely, ownership and income from ownership are not intrinsically evil but good. Marx, contrarily, declared that ownership and income from ownership are intrinsically evil, and that is the position which Norman Thomas, many times socialist candidate for the presidency of the United States, took in the public discussion between him and High and Jellema. Jellema's position was: a "plague on both your houses"; Socialism and Capitalism, *neither*, will do; *God really did not authorize ownership; He only authorized stewardship*; if ownership is more than stewardship then ownership is immoral. This is equivalent to saying that God and

Moses were wrong if their "Law" sanctioned an imprescriptible ownership and unearned income from ownership.

There is, of course, a feeble and obvious evasion available to Jellema and De Koster, to wit, that ownership is all right, but only so far as is right. What possibly can that mean? Something is right as much as it is right! Did God and Moses legislate a ridiculous proposition, something so tautological as that is? But the Jellemas and the De Kosters have a solution: wise lawmakers — the Roosevelts, the Harry Hopkines, the Felix Frankfurters, the Harry Trumans and the Dwight Eisenhowers — are endowed and authorized by God to determine *how much* private property is to be allowed, by means of unearned income, to receive. Some preachers believe that they are authorized and able to "moralize" *how much* unearned income is proper. A man may not be supposed to be entitled to get his full and free income in a *free market* economy; no, he may have as much unearned income as these wise rulers and moralists legislate is "moral" and "loving toward the neighbor" and not "exploiting" and not "profiteering" and a "fair day's wage for a fair day's work," a "just wage," or what is not "usury."

The Jellemas and the De Kosters reject the proposition of Marx; they say that it is not right. But they also reject the position of God; he must have made a mistake because he failed to legislate limiting "profiteering" on ownership of land, etc. They make a choice for someone better than Marx or God, namely, a bureaucrat, a Roosevelt or an Eisenhower or a congressman conducting himself so that he will be re-elected.

A real difficulty is that the Jellemas and the De Kosters do not approach the issue with an adequate knowledge of economics. They are both philosophers without knowledge of economic laws. In an age when the basic stresses and strains in society are on the issue of the *ownership of property and unearned income from the ownership of property* they pursue philosophy without real knowledge of the basic social science involved, namely, economics.

Any philosophy, pretending in this day and age to have something to contribute to the solution of the present-day social problem *but lacking thorough knowledge of economics*, is a ridiculous philosophy — impractical, ignorant and erroneous. Philosophy *without economics* can wander harmlessly and innocuously along the

boundless paths of impractical speculation, but when it undertakes to teach morality, or suitable conduct, it should at least acquaint itself with its subject.

It is the ignorance of economics which is the reason for the intellectual paralysis in the social science field in the Christian Reformed church. It is that ignorance which causes the Jellemas and De Kosters and everyone following them to be unable to solve the paradox that *the laborer is entitled to his WHOLE produce*, but that nevertheless there *must be and will be* until the Day of Judgment a return on capital. This is to a Jellema or a De Koster a perfect paradox which they have apparently never attempted to solve. But it is no paradox at all if you *have informed yourself of what economics teaches*. On this issue sound economics and Scripture agree *perfectly*. Marx's logic, Jellemanian philosophy and government interventionism will *never* frustrate the economic law involved.

Readers should examine the September 1955 issue of PROGRESSIVE CALVINISM, pages 241-243, and the July 1956 issue, pages 219-222, in order to learn of an inquiry by PROGRESSIVE CALVINISM — already a year and one-half old — which has not been answered. There is no philosopher or social scientist in the Christian Reformed church who has deigned to give an answer. If they are *unable or unwilling* to give an answer, the Christian Reformed church is bankrupt *intellectually* and *morally* in regard to fighting communism and socialism until it finds the answer.

It is because the De Kosters and the Jellemas and all the other "philosophers" completely evade Marx's fundamental position that they are by that failure a cause of the progress of communism.

Let us consider the device of evasion, and its place in dialectics among men, and then how De Koster engages in such evasion of the real issue.

fn

The Crafty Treasurer On The Witness Stand

We worked in our youth for a man who knew the inside story of the attempted organization of a genuine trust or monopoly.* We relate some aspects of the story in order to make a point. We have no intention that the case be identifiable.

*PROGRESSIVE CALVINISM is unalterably opposed to monopoly.

The master mind behind the plan to establish a monopoly was a baby-faced treasurer of one of the companies involved. His face masked one of the craftiest minds of his time.

Few things can be kept secret. The government got wind of what was going on, evidence was made available by insiders, and a suit was filed by the government.

In the tight spots, circumstances eventually (not necessarily at the beginning) force the best men forward. The defendants in the suit — the would-be monopolists — naturally felt constrained to rely for their defense on the treasurer who had master-minded the scheme.

The treasurer was on the witness stand for hours and hours under gruelling examination by government attorneys. Although they had considerable documentary evidence, they could not "crack" the case.

The marvel was that they could not trap the treasurer into any lie which would give the necessary clue and betray the whole scheme.

The principal trial attorney for the government followed a settled plan: (1) question; (2) answer by the witness; (3) examination of all the documents already in government hands to discover something inconsistent, revealing and damaging. His procedure was systematic, invariable and thorough.

Late one hot afternoon a dangerous question was put to the treasurer. He answered. But he felt forced to answer in a manner which was not true; in short, he lied. The other defendants sitting in the court room were stunned by the difficult question and the answer extracted. They expected that it would be only a matter of minutes before the attorney would complete his checking of the records in his hand and discover the falsehood. And this particular falsehood was a "key." Once realized to be a falsehood, all the rest of the proposed monopoly could be unravelled from that beginning. Everybody waited tensely.

Suddenly the judge, commenting on the insufferable heat, adjourned the session until the next morning. The examining at-

torney did not then and there check his documents. He "ad-journed" his efforts.

When the court opened the next day the treasurer requested an opportunity to elaborate on his answer of the previous afternoon. The request was granted. The treasurer then made a long and careful and interesting explanation. He talked for an hour and one-half. When he was finished, everyone was satisfied. The prosecuting attorney did not even think of checking the *original* answer with the record!

What had been done?

The treasurer had begun with matters related to the question. But he had "wandered" on and on. Each step in the "wandering" took him farther away from the question at issue. He operated as a bird, pretending to be maimed, which flutters away, but every flutter leads the pursuer farther from the nest of the bird.

The trial proceeded. However, the government was not able to substantiate its case against the defendants and obtain a conviction.

When we read De Koster's book we thought of the treasurer on the witness stand, and the bird fluttering farther from its nest.

But there is a difference. What was done deliberately by the treasurer, and is practiced instinctively by a mother bird, is done unconsciously by De Koster.

The effect of course is the same. This analogy between De Koster, the treasurer, and the bird will become clear later.

We ourselves saw the treasurer only once. He had retired. He was at the office one day. He was quiet, placid and colorless, except that he looked like a patient and kindly man over whom the cares of life had rolled mercilessly and had softened and subdued, and as if he were a devout and submissive Christian. My employer laughed at my comment. He assured me that behind the face there was an astonishingly fast, calculating and cold intellect. Even the face had been moulded by the brain, in order not to betray anything or alert anyone dealing with the brain behind it. fn

De Koster's Comprehensive Summary Of Marxism

Chapter 2 in De Koster's book has the title "Marx and Marxism." This chapter presents De Koster's objective summary of the basic ideas of Marx. This summary is excellent. De Koster has studied Marx well and not unsympathetically.

De Koster by explanation and the use of illustration makes clear Marx's theory of:

1. *Labor value.* The *value* of every thing depends on the "socially necessary labor" in that thing, whatever it may be.
2. *Surplus value.* The employee is in a bad bargaining position and the employer in a good bargaining position and so the reward to labor gets forced down to a mere subsistence level for the employee. He gets only enough to live and breed his children for a similar lot as his own. The rest goes to the employer as *surplus value* (unearned income). The employer exploits the employee by the amount of the *surplus value* he is able to retain for himself.
3. *Congealed labor.* All capital is earlier labor congealed now in the form of capital, and extorted previously from the employee by the retention of *surplus value* by the employer.
4. *The proletariat.* This means everybody who owns no capital and works for somebody else for his living, and who is consequently exploited to a mere subsistence level.
5. *The bourgeoisie.* This means all those who own capital, have *unearned income*, and who collect that income at the expense of the employee or laborer by means of alleged exploitation.
6. *The state.* This means the whole apparatus to coerce people, especially the laws of the state protecting the right to the ownership and free use of property. The state exists only for the purpose of protecting the bourgeoisie in their exploitation of the proletariat. It presently has no other purpose or utility.
7. *Class struggle.* This is the natural conflict that arises between the proletariat and the bourgeoisie, a conflict not to be resolved except by the liquidation (destruction) of the bourgeoisie.

8. *Economic determinism.* This means that matters of property and property ownership determine (dominate, control) all human interrelations. In whatever manner the question of ownership is settled, so the basic characteristics of society will be settled. Presently all thinking, teaching and alleged morality is in the direction of defending and protecting property ownership. Every judgment is warped and made subjective by that viewpoint. That capitalistic viewpoint gives a false perspective of events and of history. Under a capitalistic system no sound perspective of events is even possible.

9. *Dialectical materialism.* *Dialectical* comes from the Greek work, *to argue*. Marx says that the basic *argument* between men is about material things. (First, society was communistic and nomadic. Then it became feudal; the few lived in luxury on the drudgery of others. The third period is the age of the guilds, and of expanded trade. The fourth period is capitalism, as we know it, with the worker no longer owning the tools with which he works.) The *dialectic*, the argument, the dispute arises in this manner: (1) the employer exploits the employee; (2) they then become class enemies (the action of the employer created the classes); (3) the conflict between the classes is the cause of the changes in events which we know as history. All history is viewed by Marx in this light, namely, the struggle and changes constituting history occur because of the operation of dialectical materialism.

10. *Alienation.* When a workman labors to produce, he puts his "life" into his product. But under mass production and by the capitalistic exploitation by the employer, the product of a man (vital fragments of his "life") are taken from him. This explains and *justifies* the attitude of the proletariat to bring about a revolution to overturn the existing economic order even by violence. Any revolutionary program is not covetousness, but righteous indignation and indemnification against the perpetration of the evil of collecting surplus value (unearned income). Strikes and violence are perfectly justified; they are a protest against alienation.

11. *The withering away of the state.* The state exists today only to protect exploitation of employees by employers by means of the exercise of government-protected property right. When property will no longer belong to individuals, there will no

longer be need for a government. The government (state) will, in the colorful language of the communists, "wither away."

12. *Communist morality and justice.* No bourgeois (or Biblical) standards of morality or justice are valid. Anything which promotes the overthrow of the "evil" of private ownership and its concomitant, surplus value, is moral and just. *Any* means to that end is commendable — violence, falsehood, or what have you.

According to Marx the program should be simple, namely, destroy the private ownership of property with its alleged result, *surplus value* (unearned income), and all the evils and privations of the world will end. Utopia, the Kingdom of Heaven on earth, will have arrived.

Let us review the ideas which are clearly summarized by De Koster in *All Ye That Labor*, but are (only) skeletonized in the foregoing.

On what does the whole structure rest? At what point will the whole structure, or the need of the whole structure collapse? Is it:

1. Labor value?
2. Surplus value?
3. Congealed value?
4. Proletariat?
5. Bourgeoisie?
6. State?
7. Class struggle?
8. Economic determinism?
9. Dialectical materialism?
10. Alienation?
11. The withering of the state? or
12. Communist morality and justice?

Evaluation of the items in this list will show that everything depends on the correctness of the idea of *surplus value*, namely, that which is allegedly robbed by the property owner and employer from the employee. That is the crucial question. If the idea of *surplus value* is erroneous, everything is fictional before and after that point.

What does De Koster do?

fn

De Koster's Evasion Of The Real Issue

De Koster is a philosopher of no mean potential. Naturally, therefore, he turns with special interest to the *philosophical* problems involved in the foregoing list. He is interested in "history" and the validity of *dialectical materialism*, which is only a derivative problem stemming from *surplus value* and exploitation. He completely neglects the basic problem of *surplus value*, which is the real issue.

What we summarize on pages 122 to 124 in the foregoing requires 20 pages in De Koster's book, pages 25 to 44 inclusive. The next sixty-one pages, from 45 to 105 inclusive are devoted by De Koster to *philosophical* problems created by Marxism! Although the *economic* problem was the prime issue, De Koster flits off to the *philosophical* problems.

That is why when reading this book we were reminded of the baby-faced treasurer, who *deliberately* wandered away from the crucial matter in the trial. That is why when reading this book we were reminded of a mother bird, pretending she cannot fly and may be caught, but which systematically flutters farther and farther from her nest. De Koster, we assume, *unconsciously* flutters away from the real problem posed by Marx. A psychiatrist would say his psychology is that of a not-well-adjusted child who only wishes to play "jump the rope" because that is what she does especially well; but what she does not do well she does not wish even to attempt. There is no question that De Koster's treatment of the *philosophy* of Marxism is interesting. But in doing well what he could do well, and ignoring that on which he had no knowledge, *he completely bypasses the basic and critical point*.

When people set out to resist communism, but in the process evade the real issue and talk lengthily about a side issue, then they have aided communism by their failure to resist the main argument. Communism has not spread because of the craft or power of communism so much as it has spread by the inability of men as De Koster, champions presumably of Christianity, to refute the *basic* economic argument of Marx.

There is, however, no reason to single out De Koster as being unable to refute Marx's main point. Jellema, head of the philosophy department at Calvin, is also unable. He and all the other un-Biblical interventionists in the Christian Reformed church are

interventionists exactly because *they cannot refute Marx*. In that dialectical struggle Marx worsts them. He carries away the laurels of victory. They play only at "jumping the rope" on the philosophical side issues; for the rest they do not play.

Does De Koster then *completely* ignore the real issue of Marxism and communism? No. He devotes a few paragraphs of his 123-page book to the real issue.

He introduces them by disparaging the "rivers of ink" and the "immense glaciers of learning" which have been applied to Marx's basic *economic theory* (not Marx's *philosophy*). He writes:

1) Life does not fit neat theoretical categories. Any generalization like "labor value," or "surplus value" sums up certain aspects of experience, and omits others. Illustrations can always be brought against whatever general position one takes regarding social phenomena. This is the basis for much altercation between various economic theories. One must rest, therefore, on what seems to him the best interpretation, without expecting to be invulnerable to attack. [Page 106.]

Again, the theory of "surplus value" (that profit comes only from exploitation) has given rise to intricate economic dispute. Marx obviously under-rated the value of initiative, the worth of capital, the nature of risk, and the value of distribution services. But, apart from the economic aspects of the immensely complicated problem of the distribution of the fruits of industry, the appeal which the theory of "surplus value" has made lies in the common recognition that the rewards of labor must be *fairly* distributed amongst those who produce them, whether they be owners, managers or machine operators. This is the truth of the theory of "surplus value" and again on another level than Marx employed. [Page 108.]

There is, obviously, no real analysis of the basic question of *surplus value*. The arguments about *surplus value* are in De Koster's judgment "embalmed" on groaning library shelves. Compare this dismissal of the basic issue with the almost convincing way that he explains *surplus value* as exploitation of the employee by an employer (*a la Marx*) on his (De Koster's) pages 30-40. De Koster tells the case for communism, as did Marx, lucidly and convin-

cingly. Then De Koster leaves the reader in the lurch. He does not attempt a rebuttal to Marx's best argument.

Everything, literally everything in regard to communist theory depends on the validity of the idea of *surplus value*, and its antecedent idea of labor value. Any argument against communism, if it is to be belief-worthy, must thoroughly discredit Marx's idea of *surplus value*.

This brilliant book by De Koster is therefore disappointing.

Of De Koster's book, *All Ye That Labor*, can be said what was written by the ownerless finger on the wall of Belshazzar's palace on the night that ruin was to overtake him, *Mene, Mene, tekel upharsin*, "Thou art weighed in the balances, and art found wanting" (Daniel 5:25 and 27).

Until the Christian Reformed church finds an answer to the *surplus value* argument of communism it will not be effective in resisting communism. Why should it be? If Marx's basic idea is irrefutable, it must be convincing. If convincing, it will determine the course of events. Communism will spread and triumph. There will then be no Christian Reformed church any more, because the communists do not like Christianity, even a confused brand as that taught by De Koster. If the De Kosters and the Jellemas have no real argument against Marx, every student trained at Calvin College may be expected to be ineffective in fighting communism. This is, of course, so obvious, *a posteriori*, that everyone can observe it.

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Pericles, in a speech to the Athenians before the beginning of the disastrous Peloponnesian War, according to the historian, Thucydides, said: "*I am more afraid of our own mistakes than of the enemies designs.*" In a paraphrase we would say: "In regard to the communist menace, we are more afraid of the inadequate counter-arguments of the Jellemas and De Kosters *et al* than of the original argument of Marx."

When theologians and Christian educators undertake to inform themselves about and use the devastating counter arguments available against the ludicrous and fallacious ideas of Marx on "socially necessary labor value" and on "surplus value" — counter arguments unknown to De Koster, Jellema and others and not even attempted by De Koster in *All Ye That Labor* — all the *philosophical* superstructure of Marxism will come tumbling down. In what De Koster presents in his book he does no more than knock off a few top stories of the Empire State Building. He does not attempt to touch the basic structure.

This evasion of theologians and Christian educators from coming to grips with the real issue is understandable. Marx's argument (with terrific voltage, *because it appeals to covetousness*) is a damnable clever and plausible one. That is why the sin of covetousness is hardly preached against anymore in the Christian Reformed church or in any church.

fn

(to be continued)

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Correction

On page 112 in the April, 1957 issue *PROGRESSIVE CALVINISM* ascribed to Nels Ferre the statement that the God of the Christian Scriptures could be described as a "great bully." I relied on my memory. A friend has informed me that that statement was made by someone else. I regret having ascribed it to Professor Ferre.
Peccavi.

fn

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III. THE NEED OF INTELLECTUAL METHOD

Genius Versus Method

An examination of Scripture with the thought in mind, how much emphasis does Scripture place on mental alertness, intellectual gifts, subtlety of thought and profundity of mind will yield a startling conclusion, namely, Scripture places practically no emphasis on such talents. There are a few exceptions, Daniel and his friends, Shadrach, Meshach and Abednego; Solomon; Christ when twelve years old on a visit to the temple with his parents. For the rest, promptness of mind and mental brilliance, although not disparaged in Scripture, are genuinely *neglected*.

If Scripture does not place a high value on intellectual genius or extraordinary ability, then there are two possibilities: (1) it does not place a high value on any human characteristic; or (2) it places a high value on human characteristics *other than intellectual talents*.

The first possibility must be rejected because Scripture places an exceedingly great value on some human characteristics. In other words, it places a high value on something other than great intellectual gifts.

On what?

On, in general, two things:

- (1) The "fear of the Lord," which can be paraphrased by the word, humility (the "fear of the Lord" is, of course, far more than mere *humility*); and
- (2) The Law of God, namely, the Ten Commandments.

Solomon is alleged to have been very wise. In what did his wisdom consist? Largely in a number of sayings (proverbs) which repeat and repeat the allegation that wisdom consists in the fear of Jehovah and the keeping of His Commandments. If Solomon was a genius, then his genius consisted primarily in knowing that for human beings *moral* qualities rather than *intellectual* qualities are important.

The noteworthy place where *intellectual* gifts are highly praised is in the book of Daniel. But the emphasis there on extraordinary intellectual talents is not a solo note; it is only one note of two; the other is the moral note to which we have referred, namely, the fear of Jehovah and obedience to His Commandments.

Modern industrial psychologists have rediscovered the ancient truth taught in the Hebrew-Christian Scriptures. They give you an intelligence test and they give it some weight. Assume you pass it with a grade of 140 or more, evidencing unusual ability. Will they, therefore, recommend you? They will not. They will finally recommend or not recommend you depending on whether they consider you "well-adjusted." "Well-adjusted" means about the same thing that Scripture describes as sound principles for getting along in the world, to wit, humility and honesty and industriousness. These are *moral* qualities. If an industrial psychologist describes you to a potential employer in the modern lingo of psychology, he will simply be telling the employer what Scripture said years ago, namely, hire this man because he has *moral* qualities; or do not hire him although he is brilliant, because he lacks *moral* qualities. These psychologists will not use the term *moral* but the term *well adjusted*.

Scripture has another peculiar characteristic. It teaches *never* to give up a man, no matter how bad he is or how long he has been bad. You can be "saved" at the eleventh hour, fifty-ninth minute and fifty-ninth second. (Scripture does not recommend that you wait that long, and warns against overstaying your time.) Modern industrial psychology also sounds a hopeful and cheerful note about men; it believes that men can be improved; however, after you are 50 years old an industrial psychologist will not enthusiastically accept you as a patient, if at all; men are too set in their ways at that age; they will not learn anymore; they could, but they will not. Scripture in regard to the reformation of a man is more optimistic and persevering than modern psychology. Psychology does not talk hopefully about redeeming a man as a "brand plucked from the burning."

Interestingly, Scripture sounds a third note which has an attractive quality; if you have *one* talent and *if you use it*, you will obtain *two* talents; and after you have *two* talents and exercise

them, you will have more than two talents; your growth possibilities are unlimited.

According to Scripture, you do not need intellectual brilliance; but you certainly do need *sound policies*, that is, the Law of God; those sound policies are to be the "major premises" in all your reasoning.

Scripture, in a sense, therefore, has a *method of procedure* for life. It places confidence in that *method* — and not in the initial intellectual endowment of a man.

In addition to the *moral method* that Scripture recommends, there is also an intellectual method which is worthy of being considered.

Have members of Calvinist churches developed or applied an intellectual method which will keep the denominations *progressive*?

fn

Descartes's "Discourse On Method"

René Descartes (*day kart*) (1596-1650), a Frenchman who moved to the Netherlands, published in 1637 at Leiden when he was 41 years old, a small book of about 75 pages which carried the title *Discourse On Method*; (a paperbound translation is published by The Open Court Publishing Company, La Salle, Illinois, U.S.A., price 60 cents). This is a most interesting book which may be read with pleasure by anyone. It contains no abstruse and fanciful ideas, which sometimes pass under the name of philosophy. It tells instead Descartes's *method* for investigating, thinking and working.

The name of Descartes is no small one in the history of philosophy and science. The great Greeks founded philosophy. The middle ages did little more than thresh over the old straw of the Greeks. Descartes ushers in the modern age; he turned to the study of *things* rather than to the study of what others had written. In the research and study of things directly, he needed a *method*. That method is described in his book (page 19).

Descartes's method consists of four short and simple rules:

The *first* was never to accept anything for true which I did not clearly know to be such; that is to say, carefully to avoid precipitancy and prejudice, and to comprise nothing more in my judgment than what was presented to my mind so clearly and distinctly as to exclude all ground of doubt.

The *second*, to divide each of the difficulties under examination into as many parts as possible, and as might be necessary for its adequate solution.

The *third*, to conduct my thoughts in such order that, by commencing with objects the simplest and easiest to know, I might ascend by little and little, and, as it were, step by step, to the knowledge of the more complex; assigning in thought a certain order even to those objects which in their own nature do not stand in a relation of antecedence and sequence.

And the *last*, in every case to make enumerations so complete, and reviews so general, that I might be assured that nothing was omitted.

Descartes himself did wonderfully well with these rules. Between the great Greeks and the modern world of a Kant or a Kierkegaard there is no greater name to be mentioned in philosophy than Descartes.

We recommend to readers that they read carefully Descartes's *Discourse On Method*, and apply for themselves his rules for intellectual method.

If to the rules of *moral method* prescribed by Scripture, the rules of *intellectual method* recommended by Descartes are added, it will be reasonable to hope that considerable progress can be made in harmonizing the problems of religion and ethics and freedom and science, including the science of economics.

It will not be necessary for readers to inform us that Descartes was a "rationalist" and by the use of that term expect to condemn his rules. If his rules are wrong, what makes them wrong? fn

Mathematical Brilliance Versus Method

A mathematical genius of a particular type could add the following figures almost at a glance, *five columns at a time*.

39,872
12,695
48,920
87,651
46,129

Can you add the five columns at one time, and promptly write in the correct answer below the line, 235,267?

Although readers may not be mathematical geniuses, we have confidence that they have a *method* of being able to add the foregoing column of figures. What is their *method*?

1. First they abandon the attempt to add five columns at one time. It is "impossible" for them and for us. They add the columns separately beginning with the right-hand column.
2. Secondly, they abandon the attempt to add all the figures in the right-hand column at a glance. Instead, they begin at the top of the column and add *only two figures at a time* — 2 plus 5 equals 7, and 7 plus 1 equals 8, and 8 plus 9 equals 17. They put down the 7 and carry the 1 to the next column.

That is the method of our readers who are not mathematical geniuses — and our method, too. Of what does the method consist? It is nothing more than Descartes's method specifically applied to adding figures; Descartes advised:

1. Break a big job up into as many parts as you can. (Readers did that when they first reduced the figures to columns, and then the columns to digits.)
2. Take the easiest part first. (Readers did that when they selected the right-hand column, the unit column.) That is the easiest way when numbers must be "carried forward."
3. Be thorough. If the addition of the units' column is wrong and the carrying number is incorrect, the total will be wrong. Accuracy and thoroughness are absolutely essential.

Descartes's *method* for good intellectual work is, it will be obvious to all readers, of very wide application. It works well, not only in mathematics, but all through life. fn

The Relationship Of Method To Achievement

Many years ago, when an employee in a business of elephantine size, we worked directly for an executive who had advanced through the accounting department to near the top of the company. At one time he had been a travelling shoe salesman. Then he became a ledger clerk, for which he had had no prior experience. From that he advanced steadily and eventually rapidly. He had been endowed with a powerful mind, and came as close as any business man we ever knew to having that "perfect soundness of judgment" which Macaulay ascribed to the great John Hampden. How did the mind of such a man work? What was its *method*?

This is what we discovered.

This man had forged for himself, by intense effort, out of accounting rules, a master tool for his brain. His chance employment as a ledger clerk had placed this tool within his reach. He mastered the techniques of accounting and used the principles and ideas underlying those techniques for the solution of every kind of a business problem. As he used the tool, it became a magnificently effective one.

Men of great abilities always forge a *mental method* of their own. In the solution of the explanation of the solar system existing mathematics were inadequate; that is why Isaac Newton developed the methods of the Differential Calculus. Similarly, Descartes, deciding not to thresh over futilely again as the medievalists had done the ancient words of the great Greeks but to discover *new* truth, had to develop a set of rules for himself. By the use of those rules he discovered Analytical Geometry.

What relationship was there between the *mental method* of this great business executive and the *mental method* of Descartes? One was a business man and the other a mathematician-scientist-philosopher. The *methods* were basically identical.

The outstanding characteristic of this business man was *thoroughness*. Compared with him we concluded that we and all the rest of mankind were shoddy workmen. The care which the man took to be right was exceptional. Was there a reward? Yes; that consisted in coming close to having "perfect soundness of judgment." This characteristic of thoroughness was nothing more than Descartes's Rule (1), that is,

. . . never to accept anything for true which I did not clearly know to be such; that is to say, carefully to avoid precipitancy and prejudice, and to comprise nothing more in my judgment than what was presented to my mind so clearly and distinctly as to exclude all ground of doubt.

We remember hearing from this business executive a constant refrain, "What are the *facts*?" Before anything was accepted as a *fact*, it was put through a gruelling scrutiny and cross examination. No police third-degree was ever more exacting. We remember hearing him describe accounting once, as follows: "Accounting is only a great *common sense way of knowing the facts* about your business."

This executive also followed the second and third rules of Descartes. He did this in a very interesting way. If a man came in to see him and presented information, the visitor of course was pre-informed and often well informed. He would present information at a normal rate for himself, but at a fast rate for the executive who was initially (relatively) uninformed.

What always happened? The executive would get out a pad of paper. He would slow down the visitor's rate of presentation. Item by item, he would record what the man said. And he would ask many questions, some apparently foolish. This method had a purpose, we eventually discovered. That purpose was to break the presentation down into all its parts. It was a procedure like adding columns of big figures, by taking not even a column at a time, but a digit at a time. This method had an apparent defect, which troubled me (then a young man) much. That "defect" was that people would learn how ignorant and slow we were. This fear was evidence of a basic lack of humility. If we had been prepared to approach problems with general "humility," we would have been

unashamed to reveal to others our real ignorance. The willingness to reveal ignorance is genuine humility. That is one of the reasons why Scripture declares that "humility . . . is the beginning of wisdom."

From that point on, the executive began to act. Question upon question was put, in order to explore and test the picture as a whole and in detail. Gradually, the most important and earliest considerations were sifted out.

All this, obviously, was a specific application of Descartes's Rules (3) and (4), to divide a problem into as many small parts as possible, and then begin taking the easiest parts first and working them over with thoroughness.

By these methods this business man solved great problems with simplicity and assurance. Of this method could be said what Descartes says of geometers:

... long chains of *simple* and *easy reasonings* . . . [lead] to the conclusions of their most difficult demonstrations . . .

By a sound method — the method of humility — difficult problems become easy. A sound method contributes to achievement.

fn

Lester De Koster On The Relationship Of Sin To The Natural Order

Lester De Koster in his book, *All Ye That Labor*, has the following to say about *evil* (page 16):

I propose no definition of the term "evil" other than it has in common parlance. We all take it to mean the malevolent, the unjust, the painful, the vicious, the cruel, the hateful which men do.

That is what De Koster means by *evil*.

On page 5 De Koster also wrote the following:

Evil comes to expression in other forms than in human relations. Disease, physical and mental deformity, and

natural calamity all witness to the Christian mind of the radical corruption with which man's sin has infected the natural order. . .

In the next paragraph De Koster writes that disease, deformity and disaster create problems for Christianity in its doctrine of divine love, divine omnipotence and providence. . .

Readers will note that two definitions of evil are here given. It is the second definition (from page 5) to which we wish to call attention. Here *evil* is taken to include "disease . . . deformity . . . and natural calamities . . ." These phenomena are considered to be a "witness to the Christian mind of the radical corruption with which *man's sin has infected the natural order.*" (Our italics.)

Let us consider this idea and put it in its simplest form, namely, *natural calamities are the result of man's sins.*

We can begin with an illustration. A tornado strikes a town. Property is destroyed. People are dead or injured. According to De Koster this tornado was an evil, and because natural calamities are the result of man's sin having infected the natural order, this tornado should be considered the result of sin, presumably a sin of someone in the town or everybody in the town, or Adam's sin; anyway somebody's sin.

We submit a simple rejoinder. We have been so much influenced by Descartes's rules quoted earlier in this issue that it is impossible for us to accept De Koster's primitive cosmology. (Cosmology is the science that "treats of the character of the universe as an orderly system.") Whoever applies Descartes's rules to the relationship of sin to natural calamities will, we are sure, abandon De Koster's proposition.

Before applying the logic of Descartes's rules, let us immediately dismiss the idea that somebody in that town hit by a tornado was a special sinner who needed to be taught a lesson. That idea was rejected by Christ when he talked about a "natural calamity" that occurred in his day, namely, a tower had tumbled over in Siloam and killed eighteen men. The naive interpretation of many contemporaries was that the eighteen men killed were special sinners.

Luke 13:4-5. Or those eighteen, upon whom the tower in Siloam fell, and killed them, think ye that they were offenders above all the men that dwell in Jerusalem? I tell you, Nay: but, except ye repent, ye shall all likewise perish.

At another time a young man blind from birth — another of those "natural calamities" — was brought to Christ for healing. On this occasion Christ also denied a specific causal relationship between *sin* and *natural calamity*.

John 9:1-3. And as he passed by, he saw a man blind from his birth. And his disciples asked him, saying, Rabbi, who sinned, this man, or his parents, that he should be born blind? Jesus answered, Neither did this man sin, nor his parents: but that the works of God should be made manifest in him.

But a reader will say, "Granted all that, the situation was caused by Adam's fall in paradise. If Adam had not fallen, there would have been no *natural calamities*."

This is the cosmology which underlies De Koster's views of the world. Let us consider the idea in the light of Descartes's simple, common sense rules. The matter is important because it affects a man's view of the science of economics. Economics deals, firstly, with the relationship of men to things (that is, the relationship of men to the world about them which suffers from "natural calamities") and, secondly, with the relationship of men to men.

fn

Tornadoes, The Result Of Adam's Fall!

Adam's Fall is emphasized in Christian doctrine. That emphasis is based on a writing of a relatively late date. Scripture was written during the period between 1400 B.C. (Moses's time) and 100 A.D. (Paul's time) — a span of 1500 years, a very long time.

The Fall itself occurred long before Moses's time. A careful reader of Scripture would expect constant reference to the effects of Adam's Fall throughout the whole Old Testament and in the

Gospels of the New Testament. Strangely, however, the Fall as a vital doctrine for cosmology gets little attention except from the Apostle Paul. If Paul had not developed the doctrine of the Fall, it would probably be unimportant in Christian dogma today.

Granted that this doctrine of the Fall is applicable to the nature of man, that is, that Adam corrupted his whole human nature and the whole nature of his posterity by his disobedience; does it, therefore, follow that nonhuman "natural calamities" result from Adam's fall?

To this, we believe, the answer must be an emphatic, No. This statement is made despite the statement in Scripture which appears in Genesis 3:17b-19:

... cursed is the ground for thy sake; in toil shalt thou eat of it all the days of thy life; thorns also and thistles shall it bring forth to thee; and thou shalt eat the herb of the field; in the sweat of thy face shalt thou eat bread, till thou return unto the ground; for out of it wast thou taken: for dust thou art, and unto dust shalt thou return.

That text cannot, with good sense, be interpreted to mean that the whole earth was a paradise up to that time and that it suddenly became the opposite of a paradise.

Before Adam fell and after Adam fell there must have been "natural laws" established by God. To believe that those "natural laws" were changed because Adam fell is to read something into Scripture which is not there.

Let us take some examples of difficulties which would follow from such a doctrine. It is necessary to keep in mind what is being contrasted, namely, that before the Fall the natural world outside of man was "good" but that after the Fall the natural world outside of man became bad. Sin is alleged to have changed the character of the natural world and to be the cause of "natural calamities."

Gold and silver are valuable products. Some men and women will practically sell their souls to get them. If God made the earth "good" then valuable natural products would undoubtedly have been so placed as to be readily available, and if sin (Adam's Fall)

caused a corruption or a lesser availability of gold and silver, then what must have happened? At the particular minute that Adam fell there must have been a mysterious movement of gold and silver throughout the world. Instead of continuing to be easily available in a genuinely "good" creation, they suddenly became almost unavailable by a seismic transportation to distant places — the mountains of Colorado, the Klondike of Alaska and the Witwatersrand in South Africa. What a mysterious effect of Adam's Fall — that seismic movement of gold and silver to out-of-the-way places as just mentioned, as if Aladdin had rubbed his lamp and all the gold and silver and diamonds moved far away on the magic carpet to places from which it is difficult and costly to extract them.

Or consider the matter of climate. God had made the world "good" which would hardly include a bad climate. And so the climate must be supposed to have become bad because of Adam's Fall. Heat can be painful. The text just quoted refers to the "sweat of thy face." Shall we indeed infer that the weather changed because of man's sin?

What weather changed? California weather? North Pole weather? Winter weather? Summer weather? Wet weather? Dry weather? Or was the weather originally uniform — that is, were there no air currents, or high or low pressure areas. (If you do not have high and low pressure areas you will not have any rain.) And were there only gentle breezes in the world before Adam fell? But do we have tornadoes now only after Adam fell?

We submit for consideration that natural laws were unchanged — completely unchanged — *before and after* the fall.

The "natural calamities" of De Koster are not *because* of Adam's sin. And let us add at once: the sunshine and rain on "the good and the evil" is not because of or despite Adam's Fall either. There is no causal relation in either case.

The prevailing doctrines of "natural calamities" and the "common grace" of God in natural events are primitive ideas which should be abandoned. If the whole relationship of men to natural events is seen in a false light, all derivative sciences will have a defective foundation.

Scripture, be it noted, does in specific cases (in contrast to the Tower of Siloam and the man-born-blind cases) ascribe natural calamities to specific sins. When Scripture interprets them that way in those specific cases, we see no reason for not accepting those interpretations. We can understand, too, that special modern calamities are ascribed, in the subjective opinion of people of faith, to specific present-day sins. They may be right or they may be wrong.

But when someone declares that the regular heat and drouth of the Sahara is because of Adam's Fall, we demur. Or when someone declares that the prevalence of tornadoes in Oklahoma and Kansas (a territory particularly afflicted by tornadoes) is because of Adam's Fall, we again demur. Or if someone declares that the act of a wolf eating a jackrabbit is a cruelty which entered the world because Adam fell, then we again demur.

Men wish to study the relationship of men to trouble. There is much trouble in the world. That trouble consists partly in men's sins. That trouble consists partly in natural circumstances. But that part of the difficulty which consists of "natural calamities" is, in our opinion, not "infected by man's sin."

We believe a more careful cosmology should be accepted, a cosmology which would not conspicuously violate Descartes's simple and understandable rules. The statement: "natural calamity witness[es] to the Christian mind of the radical corruption with which man's sin has infected the natural order" is not acceptable according to Descartes's rules. fn

Supralapsarianism And Infralapsarianism

These two uncommon words, *supralapsarianism* and *infralapsarianism*, pertain to the relationship of Adam's Fall to predestination by God. The *lapsarian* part of the term refers to the Fall, the word *lapse* being a variant of *fall*. *Supra* means before, and *infra* means after. Supralapsarianism means a doctrine of "before the Fall"; infralapsarianism means a doctrine of "after the Fall."

Supralapsarianism is usually described as meaning that God first decided that man would fall and that then He decided He

would create man. Infralapsarianism is usually described as meaning that God first decided to make man and that He then decided man would fall. Defined thus, the dispute centering around the two terms has always appeared somewhat pointless to us.

The Three Standards of the Christian Reformed church (Belgic Confession, Heidelberg Catechism, Canons of Dort) all have infralapsarian assumptions. Infralapsarianism is, therefore, the official doctrine of the denomination. Nevertheless, supralapsarianism is permitted to members as a *personal* belief, but there is a synodical decision that it may not be taught from the pulpits of the denomination.

We have long been disposed to extend respective supralapsarian and infralapsarian positions to the relationship of men to natural events. This may be invalid.

The result is that we consider the supralapsarian view to be more "logical." That view, it seems to us, permits a man to view the "natural order," which has "natural calamities" in it, as having originally been created that way, that is, natural calamities were in creation from the very beginning. An infralapsarian view, it seems to us, has as a natural corollary the idea that when Adam fell, the natural world was therefore changed for the worse. According to that view, God had to change His building plans — His natural laws — to inject certain "natural calamities" after Adam fell.

We are consequently disposed to favor a supralapsarian view, because of this collateral consideration. As a result, the effect of Adam's Fall does not affect our view of sun, moon, stars, gravity, electricity, weather, and other natural (nonhuman) events.

Various distinguished men as Gerhardus Vos, Abraham Kuyper and Herman Hoeksema were (are) avowed supralapsarians. We have wondered to what extent they were supralapsarians because (so it seems to us) that view permits a much simpler cosmology. We would assume that De Koster's view of "natural calamities" places him in the infralapsarian group. But, as we said, we admit we are "extending" the supralapsarian and infralapsarian ideas (beyond the Decrees of God relative to the Fall) to the character of the original creation. fn

A Reader's Reaction

We print herewith for our readers' benefit, an extract of a letter we have received, criticizing our preliminary remarks in the April issue of Lester De Koster's book *All Ye That Labor*. It comes to us from a minister of a church of Calvinist persuasion — not Christian Reformed.

. . . I should like to take this opportunity to comment about your discussion of Lester De Koster's book: "All Ye That Labor." You have a good deal to say about the basic conflict between Christianity and Communism. Indeed, there is such a conflict, but it is found, *basically*, in ideology. Reduced to its simplest terms, the conflict between the Christian Church and Marxism rages around the question: Can man live by bread alone? Christianity would give the answer our Lord cited, when tempted. Marxism states flatly that the physical, the sensory, the earthly, is all that matters. Marxism scoffs at religion as an opiate, and attempts to usurp the position of faith by replacing it with a thorough-going materialistic dogma. It provides for the physical, and crushes the spirit.

In this regard, arguments about "surplus value" do not have the predominant place. We are talking about basic philosophies of life, not about economic theories, about which Christians and others may have honest differences of opinion. The answer to Communism is to be found in Christianity's gospel, in her provision of a message for soul and body. When we help man to see his first, and basic need, when we have witnessed to him of the Kingdom of heaven, and its application to all of life, then we shall be attacking Communism at its root. Man stands or falls by his faith or lack of it. When he lives by faith, he will seek to put first the matters of the kingdom of God. This means that he will live in the manner of a steward. Such manner of life includes his talents, his prosperity, his time, in short all that he is and has.

When you say that De Koster *et al.* have aided the spread of communism, you are being unfair, and intellec-

tually less than honest. So long as they, and their fellow Christians everywhere, proclaim and live the truth of the gospel, they will have an adequate and victorious answer to communism. It is a good deal more than Marx's idea of surplus value that needs discrediting. In the final analysis, it is not capitalism that holds the answer to communism, but rather, it is the Christian faith. Christian ethics also come into play at this point.

In your mention of others evading the crucial issue, it would appear that your magazine has lost sight of it altogether.

We appreciate this correspondent writing to us, but it is impossible for us to agree with him, disposed as we may be to be conciliatory toward all men.

His criticism of our review makes this major point: that Marxism's error is not basically economic, but rather ideological. Therefore we should have begun our attack on Marxism's position on the Gospel and faith, not on Marxism's economic theory.

In fact, the writer says, Christians can have "honest differences of opinion" about economic theories. Apparently, then, one Christian can hold to Marx's *economic theory* and another Christian can hold to a conflicting *economic theory*. If this is so, then economics is unhinged from ethics; then the Gospel, talked about as the real buffer to Marxism, must not attempt to warn against sin as set out in the Ten Commandments, because the central theme of Marx's attack is not originally an attack on the Gospel, but rather an attack — an economic attack — on the eighth and tenth commandments — Thou shalt not steal, and Thou shalt not covet.

This is Marx's argument: The workers (the property-less) are exploited (robbed) by the owners (the propertied) to the extent of the unearned income which the owner collects in the form of rent, interest and profit, collectively known to economists by the general term, *interest*. This unearned income, this "surplus value" which is allegedly produced by the worker but which goes to the owner, should go to the worker. The way to accomplish this is to remove the right to private property.

Marx fully recognized that the church and Christianity were (in his time) among the staunchest supporters of the right to private property. The church not only sanctioned private property and its alleged consequence, exploitation; the church, with its patter about faith and another life, tried to soothe and drug the workers into passivity instead of arousing him to rebellion and revolution.

Marx's attack on Christianity's gospel does not start out with the proposition that the gospel is bad in itself, but bad rather because that gospel and its message are used to cover up the exploitation of the property-less by the propertied. If the church had not endorsed private property, Marx probably would have completely ignored the church's gospel.

In other words, the *basic* conflict is an economic one. PROGRESSIVE CALVINISM believes that the writer of the foregoing letter (and De Koster) miss the point. They miss it because they apparently have no answer to Marx's *economic* attack on private property. Until they answer this charge of Marx, they cannot argue basically against Marx's attack on the gospel.

Our correspondent emphasizes that the property holder is a "steward." He writes: "This means that he will live in the manner of a steward."

We ask: If he is a steward only, and not really an owner, to whom is he responsible? To God? Does God "spell out" such stewardship? To his neighbors? If to his neighbors, then *how many* of his neighbors? The majority?

We ask again: Does a property-holder's "stewardship" eliminate all of the unearned income which Marx declared the property-holder wrongfully exacted as an owner? Or if not all, how much?

We ask our correspondent: *what is indeed your answer to Marx's economic argument?* Until you answer that, you will never know how crucial the economic argument is for destroying Marx's whole dialectic. Why emphasize the *general* dialectics of Marx, because you are apparently unable to rebutt conclusively the *specific* economic dialectics of Marx?

Holding the views we do, we feel constrained not to dispute the matter further until we hear clearly and specifically what our correspondent's argument is, against Marx's *economic* argument. Once we hear that, we can proceed with profit. If we do not hear it, we shall not presently devote more space to this question. ek

IV. MESSIANIC INTERVENTIONISM

"We Have Never Lost A Fight With Joe Louis"

We can truthfully say that we have never lost a fight with Joe Louis, even though in his prime he was the champion heavyweight boxer of the world.

It can also be truthfully said that Calvinism has never lost a fight with communism, even though communism is making many gains, as it has made in Hungary recently.

The reason why we have never lost a fight with Joe Louis is because we have never fought with him. The reason why Calvinism has never lost a fight with communism is because it has not involved itself in a mortal fight with communism.

What is the main thrust of communism? Dialectical materialism? Atheism? Not at all.

Marx's dialectical materialism and his atheism stem from his basic psychology, his gluttonous covetousness. The only way to clear himself of the charge of evil was to change the rules on what is good and what is evil. Marx reversed on *material* matters the principles of Scripture; what Scripture declares is good, Marx declares is bad; what Scripture declares is bad, Marx declares is good.

Marx's whole case rests upon his idea about *surplus value*. It is very simple, namely:

1. An employee produces.
2. He does not get in return a reward equal to all that he produces; he gets only part.

3. The employer gets a share of what the employee produces. For example, if a man works 8 hours, he gets a reward equal to what he produced in (say) 7 hours; the employer claims what the employee produces in the 8th hour.

4. An employee then is robbed by whatever amount the employer gets. The employer *exploits* the employee in the amount that the employer gets anything.

5. Therefore, all return on capital, all rent, interest and profits of owners and employers — all of it, every penny, is exploitation of the employee or laborer. Marx considers that this (alleged) *exploitation* is the root iniquity of society, the origin of all temporal evil.

One would have expected that Christianity, and particularly Calvinism (which prides itself on being intellectual), would have refuted Marx's argument *by reasoning*.

More than 50 years have elapsed since the writer was born. In all those years he has never once heard a *rational argument by Calvinists* against the soundness, the logic, of Marx's *surplus value*.

To the contrary, the unstated assumption today in practically all remarks made by Calvinists is that there is (more or less) a wicked *surplus value* obtained by the employer and capitalist, or if he does not actually obtain it, there is a terrible risk that he will. *Therefore*, the government must "intervene" and regulate the relations between employer and employee, because otherwise the employer will, more or less, surely exploit the employee. This is the *interventionism* which is almost universal in the Christian churches.

Therefore, too, coercive unions must be organized, some Calvinists reason, in order to lessen or eliminate the natural exploitation of the employee by the employer. The idea is that the *freedom* of the employer and of the employee in an unregulated market (unregulated by legislators or bureaucrats) will inevitably end in exploitation of the employee by the employer. On the basis of that "logic" we hear demands by the Christian Labor Association (dominated by Calvinists) for "*union shops*" — that is, you cannot retain your job unless you join a union and pay dues, so that *coercion* can be applied to the employer.

Marx's economic ideas have, in fact, deeply penetrated in nearly all the "Calvinist" thinking with which we are especially acquainted.

Progress can be made by returning to the elementary issues; we have stated them before (see PROGRESSIVE CALVINISM: September 1955, pages 241-243, and July 1956, pages 219-222); we repeat them.

1. Is capital entitled to any return?
2. Should it be a *just* return?
3. How determine what is a *just* return?
4. Does the return on capital exist because capital is productive? If so, is capital entitled to the *whole* return on its productivity?
5. Is capital entitled to part of what labor produces or is the laborer entitled to *all* what he produces? fn

Two Different And Irreconcilable Religions

Religions can differ in their theoretical and their practical aspects. We are considering religions here only in their most practical aspect, namely, their *ethics* or what they teach regarding morality.

Ethics, in this context, refers to the relation of persons to persons, their obligations to each other in the various circumstances of life. Widely different ethics claim for themselves the character of being Christian. It is not probable that this can be correct.

There are two irreconcilable systems of ethics tolerated in the Christian Reformed church. One of these systems we shall describe as the *agape* system; the other as the Mosaic plus Sermon-on-the-Mount system, or *Mosaic* for short.

Agape is one of the two principal Greek words for *love*. The *Mosaic* system could be described as the system of *law*. However, in Scripture love is not defined in terms of sentiment but in terms of The Law, and so the Mosaic system is also a system of love, but a different love than what now popularly goes by that name, *agape*.

In simplified form here are the two irreconcilable systems:

LOVE,
in terms of
the Law of Moses
plus
Sermon on the Mount

1. (a) You may be "selfish"; that is, you may very properly pursue your self-regarding interests; BUT

(b) In the process of pursuing your self-regarding interests you may not injure your neighbor by violence, adultery, theft, falsehood or covetousness.

(c) You must be *forbearing* and *forgiving* when a neighbor wrongs you.

(d) You must provide help which is needed, that is, charity.

2. You must inform your neighbor of the gospel.

LOVE,
as Agape,
a certain kind
of Neighborly "Love"

1. You may not be "selfish"; You may not pursue your self-regarding interests freely; you must "serve" your neighbor; you are a "steward" of everything you possess *for his benefit*. As Lester De Koster quotes John Calvin: "There cannot be imagined a more certain rule or a more powerful exhortation to the observance of it, than when we are taught that all the blessings we enjoy are divine deposits, committed to our trust on this condition, *that they should be dispensed for the benefit of our neighbors.*" Also, "... whatever God has conferred on us, which enables us to assist our neighbor, *we are stewards of it*, and must one day render an account of our stewardship." (See Lester De Koster's *All Ye That Labor*, page 61. The exact source of the quotation is not given. The italics are ours.)

2. You must inform your neighbor of the gospel.

In PROGRESSIVE CALVINISM this *agape* religion is rejected. We are not endeavoring to make this *agape* religion look bad. Readers

will note that we have quoted John Calvin in the *agape* column. This quotation could lend credence to the idea that John Calvin taught an *agape* religion, as we refer to *agape* in this contrast.

But the fact is that John Calvin did NOT in general teach an *agape* religion. Every man makes statements which seem to support a position which he does not basically hold. John Calvin did not hold to an *agape* system; his followers in historic Calvinism never operated on the basic *agape* principle that you are a sinner when you are "selfish." The quotation, therefore, gives a wrong impression of Calvin's *general* ideas.

The case in regard to Calvin is understandable. If Karl Marx had been a contemporary or a predecessor of Calvin, Calvin would not, in our opinion, have been inexact in any statement he made contrasting (1) the pursuit of legitimate self-interest, versus (2) the exercise of stewardship and devoting your whole life to the service of the neighbor at the expense of yourself, as Marx demanded (and as Calvin seems to support in the foregoing quotation).

Nearly all quotations applied centuries later of men who lived in a distant past are subject to gross misquotation, merely because men in former ages did not have their problems cast in the same mold as our problems are cast today. What they said long ago must be restricted to the frame of the problem as it was posed in their day.

While it is misleading to consider Calvin to have been a man holding to *agape* ethics, it is equally misleading to follow De Koster in regard to Adam Smith. Smith is historically the greatest name in economics. Smith is considered to be the economic "founder" of modern capitalism. In that sense, he may be considered the opposite — the primary antagonist — of Karl Marx, the founder of modern socialism. But the fact is that Marx generally accepted the economics of Adam Smith. The reason for this is that there are a mass of statements in Adam Smith's *Wealth of Nations* which support Marx's theories and statements. There are, however, as many, indeed many more statements by Smith against the basic premises of Karl Marx. Was Smith then insincere, or unstable, or confused?

No, he was an *early* economist who had not thought through a mass of problems now solved long after his day. Consequently,

some of his statements are inconsistent and contradictory, and *can* be quoted by both capitalists and communists. Capitalism — with its *unearned income* (or as Marx put it, *surplus value*; or as Scripture puts it, *interest*) needs a better defense today than Adam Smith ever gave it. De Koster, therefore, presents a wholly false contrast when he contrasts Smith and Marx; it is as proper as comparing a Newton with a Ptolemy. Marx came a hundred years after Smith. There are some economists, who were contemporary to Marx or came after him, who constitute the real defense against Marx, instead of a predecessor as Smith.

It may be confidently relied upon that, if Smith had been a contemporary of Marx and had had an opportunity to rebutt Marx's argument, he would have done so. In basic ideas he disagreed with Marx. De Koster recognizes both the agreement and the disagreement of Marx with Smith, but he lets that disagreement stand, as if no one had developed further those ideas of Smith which (as developed) completely rebutt Marx. It is as if De Koster insists on relying on quotations from Ptolemy to rebutt Newton, completely neglecting an Einstein who came after both. De Koster has apparently been influenced by the Adlerian "Great Books" idea so that he has relied (in his economics) on the "ancients" rather than modern writers; it is like relying on Hippocrates for your medical ideas rather than the Mayo Clinic.

But returning to the two systems of ethics both of which claim to be Hebrew-Christian — the *Mosaic plus Sermon-on-the-Mount* system versus the *Agape* system, are these different religions? They are. The Mosaic plus Sermon-on-the-Mount ethics represent historic Christianity (and definitely historic Calvinism). The *Agape* ethics constitute a defense for the claims of communism and the claims of interventionism. Communism and Interventionism would never accept the requirements in the left-hand column in the foregoing, but they will greedily accept the right-hand column.

The question is: does the Christian religion ask merely that a man (1) not injure his neighbor; (2) be forbearing and forgiving; (3) show charity; (4) inform his neighbor of the gospel? Or does it ask that a man (1) forget himself and consider only his neighbor; (2) obliterate natural (not harmful) selfishness; (3)

act not according to his own knowledge of what he needs for himself, but as if he were a "steward" for all the rest of mankind as if he knew their needs, and as if he were as provident for all men as God is declared to be? To these questions there is, we are sure, only one correct answer. The first set of questions must be answered *yes*, and the second set must be answered *no*. When such answers are given, the answers are *scriptural* and, if we may use a much abused word, they are also *scientific*.

Insofar as any church or school teaches that scriptural selfishness (see the left-hand column) is inadequate, and that Christian ethics are adequately taught *only* when the full doctrine presented in the right-hand column is declared to be the minimum, then such a church or school teaches, we believe, a wholly unscriptural and sanctimonious doctrine, a doctrine which supports socialism, and its big brother, communism, and its little brother, interventionism.

To state the issue so plainly as in the foregoing will expose us to charges of selfishness, wickedness, hardness of heart, of not understanding the most elementary teaching of the Christian religion. We shall have to suffer the consequences of that misinterpretation, but there is no prospect that we shall be changing our ideas. We once held the extreme and sanctimonious ideas (in the right-hand column) ourselves. We have rejected them not only as untenable and unscriptural but as dangerous and eventually suicidal for Christianity. That explains why we attack the "extension" of Christian ethics — the extension from common sense to sanctimony — so boldly and mercilessly, and that in turn explains why the anger and hatred directed against us does not deter us or persuade us to become silent.

Adam Smith was not a religious man. He was adamantly hostile to Calvinism; (shall we say, he despised it?). But he said a society organized as he thought it should be organized would be guided as by an "invisible hand." He meant that such a society would be a good society in which to live; it would get along well. Someday we shall analyze that idea behind the "invisible hand." And at that time we shall show that by the pursuit of *legitimate* self-regarding interests a society naturally becomes a beneficent society.

Finally, should we "serve" our neighbors? Further, does the system of Moses and the Sermon-on-the-Mount (and the identical system favored in PROGRESSIVE CALVINISM) result in neglect of the neighbor or hurt him? To these questions we answer that the Mosaic system is the ONLY genuine system of serving the neighbor, without hurting him by sanctimonious and hypocritical unselfishness.

But these ideas are all paradoxical to anyone who thinks in terms of an *agape* system, a system which is built on an exaggerated "neighborly love" foundation. fn

The Dispute Between A Mosaic Ethic And An Agape Ethic Is Not Basically One Of Morality But Of Epistemology (Intellectual Limitations)

The issue between Mosaic ethics and *agape* ethics is not an issue which is basically founded on something moral (that is, whether pursuit of the self-regarding interests is permissible) but on something really intellectual. This intellectual issue goes deeper than the moral issue.

Consequently, the issue between capitalism and socialism, the former being based on the Mosaic structure of society and the latter on the *agape* structure of society, is also not solely a moral issue but especially an intellectual (or epistemological) issue.

The Mosaic system has the premise that each man may be motivated by *his own needs*. It assumes he knows his own needs. There may be dispute about whether men in general know their own needs as they should know them. Nevertheless, there will be general agreement that men know at least what they think they need. But there is a corollary to this. The corollary is that a man does not know the needs of many other people and certainly not the needs of all people. A man or woman may know the needs of their immediate family. But beyond that their knowledge becomes thinner and thinner until it becomes perfect ignorance regarding the mass of their fellow men.

The Mosaic system, based on legitimate selfishness or better said, the self-regarding interests, is therefore intellectually modest

and humble. It limits its actions to sure knowledge, namely, self-knowledge. Though that knowledge is defective against absolute standards, it is still better knowledge than that man has of the needs of a Hindu, a Hottentot, a Chinaman, an Argentinian. The Mosaic system for organizing society is, therefore, a modest, nonarrogant, individualistic system. It has no hidden premise that man has a mind as God's — all-knowing.

The *agape* system, based on alleged selflessness and perfect service of the neighbor, cannot be intellectually modest and humble. It does not attempt to limit its actions to sure knowledge of *individual* needs or preferences. It does not rely on self-knowledge, but on arrogant knowledge of what others want (as if that were known) or what others should want. The *agape* system cannot be judged on the basis of a man "serving" 20 neighbors rather than himself, or of conducting himself as a "steward" for 20 neighbors rather than serving his own needs; no, if the principle is sound that the motivation for conduct must be the "neighbor's needs" then it must mean ALL neighbors — every American, every Norwegian, every Hottentot, every Australian — everybody. Only then is the "stewardship" right and only then is the "service" perfect. But this is, obviously, a boundless arrogance. The hidden premise is that every man can be omniscient.

The Greeks had a word for immeasurable, inexcusable, insulting arrogance. That word is *hubris*. The intellectual assumption underlying *agape* ethics is a *hubris*. Every man, it is unconsciously assumed, has become God in knowledge.

Agape religion and ethics will therefore eventually collapse because it is intellectually impossible.

Mosaic ethics, and the individualism based on it, and the capitalism in turn based on that individualism is, therefore, the only system of ethics based on reality — on a correct, modest estimate of mortal man.

Agape ethics, and the collectivism based on it, and the interventionism-socialism-communism in turn based on that collectivism is, therefore, a system of ethics based on a hallucination — on an incorrect arrogant estimate of mortal men.

The outcome is inevitable — an *agape* system must become tyrannical. The state and its bureaucrats, not being able to make individual decisions, because it is (they are) not omniscient, makes mass or collective decisions. Freedom is gone. *Agape* — love — becomes its own destroyer. Good intentions turn into tyranny. Sanctimonious goals deteriorate into destructive forces.

That which sets out to outdo what Moses and Christ taught turns out to be inestimably inferior -- accursed.

This idea, that the foundation of the Mosaic system and of individualism and of capitalism, is a realistic epistemology — a sound appraisal of the limitations of the human mind — is most clearly described in Friedrich A. von Hayek's essay "Individualism: True and False" (Chapter I in *Individualism And Economic Order*, The University of Chicago Press, 1948). fn

The Mosaic System (Including Individualism And Capitalism) Is Not An Anarchic System

Laissez-faire capitalism is probably an institution as much slandered as any of the institutions of men.

Christians have been among the noisiest of the slanderers.

The general impression created is that *laissez-faire* capitalism is do-as-you-well-please capitalism, that is, that it is a merciless, heartless, cruel, inhuman, selfish, exploitive system.

Laissez-faire capitalism is condemned as roundly and as loudly as communism. The World Council of Churches meeting in Amsterdam in 1948 condemned *laissez-faire* capitalism in the same breath that it condemned communism; it declared that

... the Christian churches should reject
the ideologies of both communism and
laissez-faire capitalism.

Anything mentioned in the same breath as the monster, communism, must be bad!

Let us consider the first accusation usually made against *laissez-faire* capitalism. The accusation is *assumed* from the name *laissez-faire*. *Laissez-faire* is taken to mean *irresponsible* capitalism; a capi-

talism which admits no restrictions to its actions; a capitalism which says nobody may keep us from pursuing our own "selfish" aims; we shall do as we please; the devil take the hindmost.

This idea regarding *laissez-faire* capitalism is erroneous. What goes by the name *laissez-faire* capitalism has never said that it believed in the right to violate the sixth commandment (engage in coercion, monopoly, etc.); or the right to steal; or the right to engage in fraud; or the right to covet another's property.

Laissez-faire capitalism is founded on nonviolence, truthfulness, honesty, cooperation. Business generally has that character; it is peaceful, truthful, honest, cooperative. That is not because business men are subjectively one whit better than others. They are not. Nor are they worse. But objectively in relations to their fellow men they are better than the mine run of men. Why?

Because it is in their advantage to be peaceful, honest, truthful, cooperative. Those are the internal laws by which *laissez-faire* capitalism must live. *Laissez-faire* capitalism wants to be *free*; but that idea means that the customers of capitalism's goods are also free. If the customers are free, the goods must be good and priced right or the customers will not buy. Similarly, sources of raw materials are also free. If capitalism treats a supplier unequally, he refuses to sell; he turns to another buyer who buys at a better price. If capitalism treats its labor uncompetitively, that labor (being free) can withdraw its labor capacity from the service of that employer.

If everybody is *free* in his dealings with me, the moment I offer less than others do, they readily shift away from me to someone else. My success, therefore, depends on my equalling the service of all others. I am under inducement to attempt maximum service.

But the situation changes the moment that *coercion* enters the picture. If I can coerce my customers because I have a monopoly, if I can coerce my suppliers and my employees, if neither customers, suppliers or employees have freedom to "pursue their own self-regarding interests" then *laissez-faire* breaks down.

Business men then are honest because for them "honesty is the best policy." That is alleged to be a low or even contemptible

principle. It is, of this everyone may be sure, a very wise and salutary principle, regardless whether it is low and unelevated.

Laissez-faire capitalism may, secondly, be charged with being "humanistic" and not "Calvinistic." Man should, it is urged, be evaluated as being depraved; further, the trouble with humanism is that it does not appreciate the sinfulness of man and is too optimistic. *Laissez-faire* capitalism, presumably founded on the humanist conception of the goodness of man (or at least the being good only because it is the "best policy"), is therefore alleged to be on the wrong base. A system which does not assume man's depravity is a defective system; so the reasoning goes.

We agree. The self-operation of the *laissez-faire* system on the basis that "honesty is the best policy" is inadequate.

But where is there a scintilla of evidence that *laissez-faire* capitalism has wanted to be above the Mosaic law. The mere fact that *freedom* was the basic premise of *laissez-faire* capitalism involved the recognition that no wrong should be done to the neighbor; because he could, if free, escape the wrong.

Now *laissez-faire* capitalism to our knowledge has never had a spokesman or acknowledged a spokesman who declared it wanted no laws against violence, theft, fraud. *Laissez-faire* capitalism has always wanted that. It is the restrictions which are more restrictive than the Mosaic law that *laissez-faire* has objected to. It is wholly erroneous — false — to imply that *laissez-faire* was or is lawless or anarchic. *Laissez-faire* wanted freedom, except it never claimed (as far as we know) freedom to break the Second Table of the Law.

Laissez-faire is a French term. The whole idea of *laissez-faire* is not lawlessness or anarchy, but freedom from government red tape. In France the system in the eighteenth century was mercantilist. *Mercantilism* was the system which became dominant in the time of Louis XIV. Under mercantilism every detail of the affairs between men was regulated. Everything was strapped down by endless and paralyzing restrictions. The *laissez-faire* idea arose as a reaction against mercantilism. American New Dealism is a reversion — reaction — to mercantilism.

Ludwig von Mises in his article "Laissez-faire or Dictatorship" writes the following (originally printed in *Plain Talk*, January

1949, reprinted by permission of Isaac Don Levine, editor, in *Planning For Freedom*, 1952, pages 37-8):

Learned historians have bestowed much pains upon the question to whom the origin of the maxim *laissez-faire, laissez passer* is to be attributed. At any rate it is certain that in the second part of the eighteenth century the outstanding French champions of economic freedom — foremost among them Gournay, Quesnay, Turgot and Mirabeau — compressed their program for popular use into this sentence. Their aim was the establishment of the unhampered market economy. In order to attain this end they advocated the abolition of all statutes preventing the more industrious and more efficient people from outdoing the less industrious and less efficient competitors and restricting the mobility of commodities and of men. It was this that the famous maxim was designed to express.

Laissez-faire capitalism is the "free market" system which establishes one special kind of freedom — the freedom of every producer and seller to outdo any other, thereby serving all men to the maximum, and genuinely by deeds manifesting "love to the neighbor."

fn

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Interventionism — Presented As A Messianic Hope For Society

The last chapter of De Koster's *All Ye That Labor*, covering 18 pages, carries the title, "Liberalism, Marxism and Christianity." This is the "economic" chapter in the book, in contrast to the earlier "philosophic" chapters.

This last chapter is a combination of economic errors and piety.

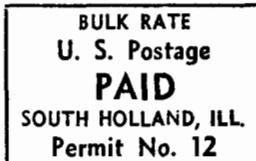
De Koster holds that liberalism (*laissez-faire* capitalism) has failed; socialism will not do; but Christianity via Interventionism (*Dirigisme*) is the great solution to the problems of society.

It is not the atheists nor the agnostics nor the Mohammedans nor the Buddhists who will destroy Christianity. When Christianity is destined to be destroyed it will be from within. When erroneous but plausible ideas are presented as the Christian hope for this troubled world there will eventually be a day of disillusionment. *Experience* will finally prove to everybody — learned and unlearned alike — that those ideas were wrong. Then people will ask: did religion all along agree to those errors? And when the answer must be that pious religion did just that, Christianity will be discredited.

We shall give painstaking critical consideration in future issues to this proposed Messianic interventionism as the great hope of this life. Thus far in the history of mankind the State has always proved itself to be a false Messiah. fn

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Purpose Of This Issue

1. PROGRESSIVE CALVINISM should be known as favoring Individualism, a social philosophy which has for 75 years been misrepresented and attacked by intellectuals in the Christian Reformed church. Not to be outdone in courtesy, we wish to be known to be correspondingly hostile to Interventionism, which is the prevailing doctrine of the intellectuals. We again define, in this issue, the terms Individualism, Collectivism and Interventionism.

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2. There is a great outcry by Christians generally against *selfishness*. Selfishness is a most equivocal term — a term with a very dangerous double meaning. We are, of course, against genuine selfishness when that refers to a definite evil, but we are not against selfishness when that term is defined as it is now apparently being defined by intellectuals in the Christian Reformed church. When selfishness means what they apparently mean, then we consider selfishness no evil but a natural and proper human characteristic, fully approved by Scripture. We shall show how the idea of the "sin of selfishness" is a dangerous idea which is derived from, or at least is consistent with, Anders Nygren's false doctrine of *agape*, that is, of love. The modern outcry in the various Christian churches — against selfishness — something practically unknown 25 years ago — is getting louder. We regret the clamor. We are here subjecting to critical examination the Nygrenian idea of the "sin" of self-love, or of selfishness. fn

Request For Information

We wish to find what we have never been able to find, namely, a logical argument by an intellectual of the Christian Reformed church against Karl Marx's argument condemning "surplus value" or "unearned income." Marx hangs his whole case for his Dialectical Materialism and Socialism-Communism on his condemnation of all "unearned income." He said that all "unearned income" (surplus value) is unjust and *exploitation*. Marx considered the Law of God (proclaimed through Moses) wicked, because it unqualifiedly authorized what Marx considered to be criminal *exploitation* of one man by another.

Marx can be answered by quoting Biblical texts. But he should also be shown to be wrong by *logic*. We do not have such wide acquaintance with the writings of Christian Reformed intellectuals to know with certainty that any one of them has written a rebuttal to Marx, that is, that such an intellectual clearly saw where Marx's fallacy lay and was interested enough to refute it.

It is worth \$100 to us to be saved the labor of searching for evidence of such a logical argument. We shall be glad to send anyone a check for \$100 who will supply us with the name of the author and publication in which the ideas of Karl Marx on *surplus*

value were logically refuted by a member of the Christian Reformed church. We need a *conclusive* logical argument against Marx's idea of "surplus value" and "exploitation" (*ausbeutung* in German and *uitbuiting* in Dutch). If that kind of argument does not exist or cannot be developed by Christians in the Christian Reformed church or generally, then the ethics of Christianity are in a bad way; they are not being defended from a *rational* viewpoint. We would sincerely lament that. fn

The Benefits Of Discussion

Disagreements between people are aggravated when they go off into a corner by themselves and avoid discussion with others. Sensible men come closer together as a result of discussion. Each may learn that he should moderate his ideas some, or that his ideas are not accepted because there is a road block in the thinking of the other man. By discussion each man learns of the road blocks. By discussion each man discovers his own errors.

In a sense, behind most *continued* disputes there is the error of the man who is right. It is his fault that the other has not discovered the right idea. The man who is right should set out to discover what makes others think differently. Having discovered that, he can then revise his presentation. If his presentation had taken that hindrance into account from the beginning, there would have been an earlier "meeting of minds."

We are prepared under reasonable circumstances to defend, and if necessary revise, all ideas presented in PROGRESSIVE CALVINISM. We are prepared to participate in discussions or debates. This is not a field in which we have been active, but is something we are prepared to attempt.

We once worked for a superior who made an unusual approach to questions in dispute. He was in a position where every disputed question in the business eventually came to him. He was always in the thick of trouble. He followed Alexander Hamilton's principle of informing himself better on the questions at issue than any other man. Off he would go to a meeting with his arms bulging with papers, analyses and reports.

Often he would come back and casually say: "We won, everything is settled [so and so]."

But sometimes he would come back and say, "We lost; *what did we do wrong?*" Those last five words eventually became a refrain in our ears. He never blamed the others for stupidity or perverseness, or prejudice, or dishonesty. If he had not convinced them, he did not blame them but himself. Always there was that last sentence: "What did *we* do wrong?"

There was an invariable consequence to that interpretation which excused others and blamed ourselves. We always had to begin anew on the study of the problem. The old way had failed. Obviously, the content of the old study was wrong, or the method of presentation was wrong. Otherwise, the others would have been convinced. But they had not been. If we had done such a poor job, there was nothing to do but to do it differently and *better*.

Eventually, there would be another meeting — in a week, a month, a year, or in years. Off he would go with his papers. Again he would come back with "We won" or "We lost." But if it was "We lost" it was inevitable that we would have to go back again to the gruelling labor of a new and better presentation of facts and arguments.

Naturally, eventually everything went down before that man as tenpins go down from a perfect throw by a crack bowler. The reason is that the man blamed himself, not others. It is easier to reform and improve oneself than others. It is wiser to begin with *self*-improvement than with *fellow*-improvement.

We were influenced enough by this man so that we are prepared to expose ourselves to any contradiction of what is published in PROGRESSIVE CALVINISM. If we lose, we shall be glad to learn. Or if we lose because we failed to make our ideas clear and acceptable, we shall return to ourselves and say, "We lost; what did *we* do wrong?"

He who never gives up, always wins.

Maybe that is too big a generalization. A contrary experience should be mentioned.

In a business in trouble partly because of changed and uncontrollable circumstances, it was decided to have weekly board meetings. But these contributed to friction and not to a solution. Discussions, in this case, caused trouble, not peace. The explanation was that the two top men in the business were irreconcilably different — one was a wise man and the other was not. Discussions revealed that the latter did not belong in the business. Such an arrangement was skillfully made. Then the prosperity of the business was restored. In other words, discussions do not help when you are dealing with some people. But among wise men, discussion promotes unity.

fn

IV. MESSIANIC INTERVENTIONISM (continued)

Definitions Of Social Philosophies

Systems of ideas can be classified from various viewpoints and in various ways. The classifications are valid depending on the purpose in mind.

Political philosophies are classifiable as democratic, aristocratic or monarchic, and in other ways. *Christian religions* are classifiable as Catholic, Lutheran, Calvinist, Arminian, or otherwise. *Economic systems* are classifiable as capitalist or socialist-communist; as free market economic systems or as controlled (*dirigist*) economic systems; or otherwise.

A classification is also needed for *social philosophies*. The classification which appears to us as helpful at the present time as any is threefold: Individualism, Collectivism and Interventionism. We briefly define these three social philosophies.

I

Individualism is a system of ideas which believes in complete freedom for individuals, except that they are forbidden to violate that part of the Law of Moses which prohibits wrongdoing to the neighbor — coercion, adultery, theft, falsehood, covetousness.

The ethical system that parallels this is: Thou shalt love thy neighbor as thyself.

The political corollary is that the less government, the better. Individualism proposes a *voluntary* society. What government there is, is a government of *laws* and not a government of *men*.

II

Collectivism is a system of ideas which believes in the complete priority of society over the individual. Whatever those in authority wish (usually camouflaged as being for the public welfare) is declared to be the highest morality.

The ethical system that parallels this is that every man must love his neighbor more than himself and esteem him better than himself. The approved formula for this is: From each according to his ability to each according to his need.

The political corollary is that the more government, the better; the government is authorized not merely to restrain men from being bad (as in Individualism) but even to coerce them to be good. The government having such a broad purpose must be a government of men acting according to unpredictable discretion and not a government of known laws.

III

Interventionism is a system of ideas which believes that freedom is a good thing, but is not something with which an individual may be fully trusted, and that consequently the government should intervene, that is reduce liberty in innumerable ways and more and more as society grows progressively complex, for the alleged purpose of the welfare of society.

The ethical system that parallels this is a dualism — an individual may not violate the Second Table of the Law of Moses, but society (a group of individuals) may; what is immoral for *one* is moral for *more than one*.

The political corollary is that "the powers that be are of God" and must be obeyed. A ruler is "anointed." Whatever he decides is good for society, is therefore really good; but should it not be, it must nevertheless be obeyed. This principle violates the general rule of Scripture that it is required of men to obey God rather than men. Interventionism vacillates between Individualism and Collectivism. It is not a coherent system as either Individual-

ism or Collectivism. Nor is it a candid, upright system; it argues from the premises of Individualism against Collectivism; and it argues from the premises of Collectivism against Individualism. Interventionism, as is true of Collectivism, is a government by men acting with discretion and not a government by stable laws; the degree of the government by men rather than by laws is less than in the case of Collectivism but the principle is there.

IV

It may be helpful to group the terms in the several fields of thought so that the related systems will be understood to be related.

VARIOUS PHILOSOPHIES

(1)

(2)

(3)

Social Philosophies

Individualism

Collectivism

Interventionism

Economic Philosophies

Capitalism

Socialism

Interventionism

and

Communism

Political Philosophies

Limited or
Constitutional
government

Totalitarian systems;
Communism
Socialism
Peoples' democracies
Fascism
Naziism

Bureaucracy
New Dealism
Modern Republicanism
Dirigisme
Syndicalism

Rule of Law
or
Rechtsstaat

Rule of Men

Mixture of
Rule of Men
and
Rule of Law

Jurisprudential Philosophies

Scriptural

Rule of Men

Mixture of
Rule of Men
and
Rule of Law

Ethical Philosophies

Scriptural

Nonscriptural

Nonscriptural

In PROGRESSIVE CALVINISM we hold to the philosophies in the first column, namely, Individualism, Capitalism, Limited Government, Rule of Law and Scriptural principles. In contrast, the prevailing doctrine of many members of Christian churches is Interventionist, *Dirigist*, Bureaucratic, Rule of Men and non-scriptural. In some cases, Christians even favor the systems outlined in the second column.

We consider the ideas represented by the terms in columns (2) and (3) to be evil philosophies. fn

Prevalence Of Interventionism Among Some Modern Calvinists

Abraham Kuyper and his numerous American followers condemn and detest *Individualism*. This exposes PROGRESSIVE CALVINISM to criticism and contempt, because its publishers are avowed Individualists and are unqualifiedly in favor of Individualism.

Kuyper was opposed to the Individualism of the French Revolution; and so is PROGRESSIVE CALVINISM. *That* Individualism was a false Individualism, which there and everywhere has led to Collectivism. (See F. A. Hayek's "Individualism: True and False," the first essay in *Individualism and Economic Order*, University of Chicago Press, 1946. See also PROGRESSIVE CALVINISM, Vol. I, June 1955, pp. 152 ff.) Kuyper made a serious blunder when he considered all Individualism to be in principle the same as the false Individualism of the French Revolution.

The opposite of Individualism is Collectivism. Those are the two basic philosophies for the structure of society. However, although Kuyper and his followers are not willing to be known as Individualists, they are still less willing to be known as Collectivists. Collectivism has a bad reputation — Socialism and Communism being in social, political and economic life nothing more nor less than a manifestation of Collectivist principles.

What do Kuyper and his followers do then, not being willing to be known as either Individualists or Collectivists?

They take no truly descriptive name for their social, political or economic philosophy. They fly no social philosophy flag. They shift ground and call themselves Calvinists, a religious term which is not helpful when describing social philosophies.

The proper term by which to describe their social philosophy is Interventionism. Interventionism puts forward very pretentious claims, namely, the claim that it has the good character and the merit of Individualism without its alleged faults, and also the claim that it has the good character and the merit of Collectivism without its obvious deficiencies. This would be wonderful if it were or could be true. It is not true and it cannot be true.

The idea of choosing part of one system and part of another system is known as eclecticism (ek lek' ti sizm). From time immemorial there have been eclectics who have thought that they had "principles" when they took something from one coherent system of thought and combined it with something from a contradictory system of thought equally coherent. Actually to be an eclectic is to be without principle (*beginselloos* in Dutch). This will of course be defined by all Interventionists.

You cannot put fire and water together. Either the fire evaporates the water, or the water quenches the fire. Similarly, it must work out that Interventionism destroys its Individualist elements (and thereby becomes Collectivist), or that Interventionism destroys its Collectivist elements (and thereby becomes Individualist).

A book recently published in the United States, entitled *All Ye That Labor*, written by Lester De Koster, Librarian at Calvin College (Wm. B. Eerdmans Publishing Co., Grand Rapids, Mich., 1956) is in the Kuyper tradition and in the tradition of the Anti-Revolutionary Party of the Netherlands. This book teaches a modern American brand of Interventionism similar to what was once taught by Kuyper and is presently accepted in aggravated form by the Anti-Revolutionary Party of the Netherlands. Descartes (as we outlined in the May 1957 issue) outlined four simple rules for thinking, working, learning and developing a coherent system of thought. Interventionism violates Descartes's rules. It is a system for people who do not think to ultimate consequences or who need some irrationality in their thinking in order to remain consistent with some misapprehended article of their "Faith."

An *American*, unless he has accepted Interventionism (probably imported from Europe in the latest twenty-five years), will traditionally be an Individualist, not an Interventionist. But some American Calvinists have been peculiarly exposed to the doctrines of Interventionism.

It is bad to be an Interventionist for political reasons; it is worse to be an Interventionist for religious reasons. The widely held idea that Interventionism is "revealed" in Scripture should be re-examined. fn

Individualism And Selfishness

I

One way to condemn Individualism is to declare that it stands for selfishness, and consequently that it is unneighborly and unjust. Individualism, for some misinformed people, is supposed to be the philosophy: Look out for yourself and let the devil take the hindmost. We address ourselves to the question: is Individualism sinful selfishness and a social philosophy which despises the requirement to "love" the neighbor?

In his essay, "The Task of the Church for the Solution of Modern Problems," Chapter II in *God Centered Living* by the Calvinistic Action Committee (Baker Book House, Grand Rapids, Michigan, 1951) Rev. Peter Van Tuinen refers to what he considers the great social sins of the age when he writes (page 40, our italics):

We take for granted that the church will preach the gospel demands of justice, charity, honesty and stewardship, while at the same time [it] condemns such un-Christian economic practices as economic oppression, *selfishness*, usury, and mammonism.

According to this "the gospel condemns . . . [the] economic practice [of] . . . selfishness . . . "

In Van Tuinen's formulation "selfishness" is an *economic* practice. This is an improper limitation, but it is merely one of several evidences of an anti-business bias on the part of Van Tuinen.

Such "selfishness" is, according to Van Tuinen, a gross sin against which the church should "preach." Obviously he is contrasting good and evil; here are his opposites, individually or collectively (his *exact* proposition is not clear):

Good	?	Evil
1. justice	— versus —	1. economic oppression
2. charity	— versus —	2. selfishness
3. honesty	— versus —	3. usury
4. stewardship	— versus —	4. mammonism

It somewhat appears that Van Tuinen here contrasts *selfishness* with *charity*. On that basis, failure to engage in charity would be selfishness.

No right-minded person, Christian or non-Christian, can be indifferent or hostile to charity. The logic in favor of charity is conclusive. It is this: fortune, natural calamities, the unpredictable and the unknowable play a part in every person's life. For example, a cyclone snuffs out a life or destroys a man's property. Should the victim or his widow or his orphans be left to perish or suffer handicapping hardships while the neighbors go their own way in comfort and indifference? Such action by neighbors is condemned not only by religion; it is also condemned by men who have no religion. There is a fairly common sentiment of "sympathy" which makes people disposed to help those who are genuinely unfortunate. Even bad men, except at their worst, are not devoid of charity in that sense.

We have never heard any man declare that charity was not a good thing. Every man realizes that under unfavorable circumstances he, too, may at some time need a lift. He gives another a lift today, because tomorrow he may need a lift himself. A society without charity — without the lifts to help others meet genuinely adverse circumstances — cannot really be a good society. Charity, properly understood, is not only an admirable Christian virtue, it is hard secular common sense.

If *selfishness* means the unwillingness to participate in *charity*, then selfishness (according to logic) is folly, and (according to the law requiring neighborly love) is sin.

We have cited a case where charity is in response to a situation resulting from a "natural calamity." Suppose instead that a man's distress and his family's distress is because he is lazy; he refuses to work or at least to work well enough to justify anybody employing him. Is it then *economic selfishness* to refuse to employ an unsatisfactory worker? Is that a failure to show *charity*?

In this connection it should steadily be kept in mind that Van Tuinen is writing about "economic practices" which undoubtedly means *business* practices. He appears, in other words, to be talking about *business* attitudes toward charity. If that business attitude does not show "unselfishness," then it must be manifesting "selfishness," and the "gospel demands" are alleged to be that business must not show such selfishness.

Now, obviously, it is a form of "selfishness" for a farmer to discharge a lazy and unprofitable farmhand; or for a housewife to pay off a shiftless and unheedful maid and tell her that the employment is ended; or for a dentist to send home a technician who damages inlays; or for a retailer to lay off a clerk who causes customers to stay away.

Business, in a competitive economy (which means that the customers are *free* to patronize one business or another) must be *efficient*. If not, then the business goes "out of business"; it fails; it fails just because customers no longer buy from that business. This principle of efficiency as determining the continuance of a business, it seems, conclusively excludes charity from business.

A little thought will make the reason obvious. The proposal to keep *A* on the payroll who is damaging the business can have one of two effects:

- (1) the employer can "pay for" or suffer the loss which the employee causes, that is, *he* engages in the "charity" shown to that unsatisfactory employee; or
- (2) the employer can by charging higher prices endeavor to pass on to his customers that "charity" which consists in keeping this unprofitable employee on the payroll.

However, the employer cannot continue indefinitely on (1), and the customers are unappreciative of being made the victim of (2). To continue to engage in (1), except in isolated cases, is not possible. Charity is ordinarily related to tithing, that is, giving 10% of your income. The profits actually available for distribution out of *all* businesses over a period of *many* years hardly exceeds 3%. Anybody in business engaging in charity by tithing in the form of 10% inefficiency will soon go broke — as soon as his capital is exhausted.

The other alternative, that a business man add to his prices an amount to cover the inefficiency of a lazy or incompetent employee, thereby passing on the burden of his "business charity" to his customers, will not work either. Customers refuse to pay extra prices to *A* so that *A* may keep *B* who is lazy, whereas those extra prices would not have to be paid if *A* employed *C* who is industrious.

It can in fact be sensibly declared that it is *sin* to tolerate inefficiency. There is a universal welfare shortage — the means to supply all the needs of people do not equal all the needs themselves. There is a *scarcity* of the means of production. That scarcity consists in labor and materials. It can be affirmed that no man has a moral right to stay in business who does not muster labor and materials *efficiently* — that is, at as low cost as anybody else can muster labor and material. High cost producers have no business being in business. They ought to quit on their own decision, or it is something to be thankful for that customers (by not buying) force them out of business. The idea of being efficient is in this situation an idea exactly contrary to charity. Charity should be a part of business only when "natural calamities" exist. Those, by the way, are practically always allowed for in business, which usually does so by paying premiums for insurance to carry such risks.

The conclusion can therefore be reached that Van Tuinen cannot soundly contrast "economic [business] selfishness" with charity. If he does, it is the excitation of hostility toward business on the basis of an indirect appeal to covetousness and envy.

There is, therefore, no merit in Van Tuinen's attack against "economic selfishness" if he means thereby a failure in business

to show "charity" in the customary Biblical sense. Van Tuinen, if that is his proposition, has merely confused himself that business is not necessarily determined by a principle of efficiency (serving customers well), but can and should tolerate inefficiency under the pious label of charity.

Van Tuinen's oblique attack on business by decrying "economic selfishness" appears wholly unwarranted.

II

The question may then well be asked: is *selfishness* sin? The answer of course depends on what is meant by selfishness. (We have already shown that the meaning given to selfishness, when it is defined as *failure to show charity in business matters*, leads to absurdities.)

The word *selfishness* needs a sensible definition.

The word *selfishness* can mean no more than bad manners or lack of thoughtfulness. In a family there are various activities which any member can perform. Some members, without being asked, do their share of such work. Others do not do so, except they are asked or are even disciplined into doing so. Sin? Maybe, but who is to decide *exactly* what each person is to do! Bad manners? Undoubtedly, but such conduct does not increase people's affection for you. Eventually, they will "get your number." You will be known as a "selfish" person and be treated accordingly. A doting mother or father, a weak brother or sister, a not-too-smart friend will let you take advantage of them. They have nobody to blame but themselves; the "benefits" of "selfishness" in the foregoing sense are voluntarily given by some people. The selfish person did not coerce them to pander to his selfishness. On balance, we consider such selfishness not to be sin, but bad manners and unsound social relations. When theologians and sociologists use the word *selfishness* they are not, we are sure, talking about such bad manners. They refer to something worse. Let us move on from bad manners to sins.

III

Selfishness in the area of *sin* can mean dishonesty. It could be that this is what Van Tuinen had in mind although his "honesty" in the favorable column is not exactly opposite "selfishness"

in the unfavorable column. Such dishonesty undoubtedly would refer to theft, and therefore be a violation of the eighth commandment, *Thou shalt not steal.*

It is unwise to substitute the term, *selfishness*, for the term, *theft*. The act of being dishonest regarding property and rights should be described by the old and accepted term, *theft*. However, one vaguely realizes that it is not the positive act of *theft* which is referred to by the term, *selfishness*. Not even those whose thinking is confused because they fail to define terms use the term *selfishness* as a substitute for the term *theft*.

Of course, if *selfishness* meant *theft* it would be an obvious case of *sin*.

IV

Selfishness as the term really is being used by Van Tuinen, apparently falls somewhere between (1) the idea of bad manners and (2) the idea of *theft*, a violation of the Eighth Commandment, *Thou shalt not steal*. But there is an important point to note. Although his idea of *selfishness* is obviously worse than bad manners and is probably not exactly *theft*, it nevertheless is a grave and heinous *SIN*. What is this *selfishness*, existing somewhere between manners and *theft*, but still *SIN*?

Selfishness becomes an imaginary horrible sin as a result of a peculiar manner of defining *love*. *Love* is in this situation not defined in terms of the Commandments plus forbearance, charity and the gospel, but rather as a substituting of the wishes of another for your own. In other words, if you follow your own wishes and judgment, rather than bending to the wishes and judgments of others, individually and/or collectively, *you are selfish and a sinner*. Your neighbors' wishes or choices must be considered ahead of your own; then you are not "selfish"; then you are not a sinner.

The April 28, 1957, church bulletins in the Christian Reformed church, printed in connection with the Centennial under the title "Christian Compassion," contain the statement: "A Christian counts the other better than self," a statement obviously taken from the Epistle of the Apostle Paul to the Philippians (Philip-

pians 2:3). That statement has a valid meaning in the specific context, that is, in the limited situation referred to by Paul. But the idea that the proposition, "The Christian counts the other better than self," is a *general truth* of universal application, makes Christianity nonsensical and unfortunately hypocritical, because no Christian can possibly consistently act on the basis that the statement is true. If he did so, his actions would be suicidal for his own character and personality. The "unselfishness" implied by the general statement is so far beyond reason and conduct that it must sound hypocritical to non-Christians.

The question to be asked is this: Should the specific and narrow statement taken from Paul's Epistle to the Philippians be taken as the general rule, or should the *prevailing* teaching of Scripture on love, namely, the Mosaic Law, be taken as the rule for neighborly love. To this question the latter must be the correct answer.

The Mosaic Law begins with *self-love*. *That* is the standard. Thou shalt love thy neighbor *as thyself*. It must, therefore, be a sure error to say that self-love is sin, for selfishness is self-love, and if self-love is assumed in Scripture to be a good thing, then selfishness cannot possibly be sin.

In this regard it is interesting to quote Soren Kierkegaard, to whom many modern Christian leaders turn for inspiration. In his *Philosophical Fragments* (Princeton University Press, 1942) page 30, he wrote (our italics):

This is what happens in connection with the paradox of love. Man lives undisturbed a self-centered life, until there awakens in him the paradox of self-love, in the form of love for another, the object of his longing. (Self-love is the underlying principle, or the principle that is made to lie under, in all love; whence if we conceive a religion of love, *this religion need make but one assumption*, as epigrammatic as true, and take its realization for granted: *namely the condition that man loves himself*, in order to command him to love his neighbor as himself.)

This is what Kierkegaard says: ". . . if we conceive of a religion of love, this religion need make but one assumption, . . . namely, the condition that man loves himself, . . ."

Although we are certainly no followers of Kierkegaard in general, he is undoubtedly right when he indicates that it is nonsensical to say that a man should love his neighbor as himself, if he is sinful when he loves himself. The "condition that man loves himself" is the prerequisite to loving the neighbor.

V

There are three separate stages or aspects of the *selfishness* problem which should be definitely distinguished. We shall call those stages: (1) sinlessness; (2) sin; (3) super-sin. The decline from sinlessness to super-sin is as follows:

1. *Sinlessness.* Loving self, *without wronging the neighbor*, that is, without coercing him, robbing him of wife and goods, deceiving him, or coveting what he has; plus showing him forbearance; plus charity; plus proclaiming the gospel to him.
2. *Sin.* Loving self, *at the expense of the neighbor*, that is, by coercing him, robbing him of wife and goods, deceiving him, and coveting what he has; without showing him forbearance; without manifesting charity; without proclaiming the gospel to him.
3. *Super-sin.* Not loving self, but "loving" the neighbor by divining *his* inclinations, appraising his needs and presumably sacrificing for him. This appears to be a super-good deed. This indeed is what is meant by "unselfishness." This is more than God requires of men, unless He wishes men fully to equal and outdo Him.

The definition that idealistic Christians have in mind when they talk of the great merit of *unselfishness* is really that a man should no longer be a humble, mortal man with his own needs which need to be supplied — legitimately, of course — by loving himself, that is, working for *self*; but a man should be as God knowing the needs of all men better than they know it themselves, and supplying those needs. Man is to be omniscient and omnipotent relative to all his neighbors or else he is a sinner, not having been unselfish enough!

VI

Self-love should not be interpreted to mean the same thing as doing things always and only for yourself. No human being does everything for himself *only*. He always has some motivations to do things for others.

A man is motivated by his own "values." He may believe that the greatest "value" in the world is proclaiming the gospel. He will then be motivated to act accordingly. He has in this instance pursued his own particular "values." He has in that sense, exercised his self-love; he has "been himself"; he has been free to exercise liberty in pursuing his own values, although those values were not specifically for himself.

Another man may have an entirely different set of "values." He may believe that the greatest "value" in the world is in discovering the cause of a disease. He will be motivated to act accordingly. He has in this instance pursued his own particular "values." He, too, has exercised his self-love; he has "been himself"; he has been free to exercise liberty in pursuing his own values, although those values were not specifically for himself.

Another man may have another set of "values." He may be annoyed by the hard labor of harvesting and threshing wheat by hand. He is determined to get it done in an easier way. He tries to invent a harvester and thresher, and does. He was motivated by his own particular "values." He has in that sense, exercised his self-love, he has "been himself," he has done what he wanted to do, not what somebody else wanted him to do. In pursuing his own values he has exercised his self-love.

Self-love, then, is not for *self* only, but for *personal or subjective values*, that is, the individual values which each man has and which he wishes to pursue at liberty and *which may be as much for others as for himself*. But they are *his* values. Self-love cannot be exercised except a man have liberty. Liberty is a prerequisite to the activity of self-love, that is, the pursuit of personal values.

This opportunity to manifest self-love (which self-love creates all the variety and richness to the world) is obviously frustrated if all neighbors, by being "unselfish" are to be meddling in everybody else's affairs. This "love" from neighbors, this "unselfish-

ness" on their part, this noblest (?) manifestation of Christianity consists in a man determining the "values" for his wife, for his children immature and mature, for his brothers and sisters, for his neighbors, for his friends, for his enemies, for men far away. This "love," this "unselfishness" may genuinely interfere with all the subjective "values" of these other people, but this "love" and "unselfishness" is to be so perfect that everybody is to be happy to surrender his individual values for that wonderful Christian "love" and "unselfishness."

Simply stated, it is notorious arrogance to press such "love" and "unselfishness" on other people; nobody has so God-like a mind that he can do that for all other men.

VII

Men not being so omniscient, they simplify their application of their alleged "love" and "unselfishness" by making *mass* decisions. They thereby become collectivists. That is what men are in Russia. The Russians are "unselfish" and "love" the neighbor so greatly that they wish to set subjective "values" for *everybody*. They want no Individualism there. They turn to Collectivism, group action, the coercion of the acceptance by all of a mass decision. Under the banner of "love" and "unselfishness," the Sixth Commandment, Thou shalt not kill [or coerce], is violated.

Interventionism is no better. By the agency of a bureaucrat a mass "value" is coerced on each citizen.

There is only one social philosophy which can possibly conform to the teaching of Scripture, namely, the social philosophy known as Individualism. It is a humble philosophy. It lets each man have his own subjective values, *but he may not pursue them at the expense of his neighbors*. Individualism sets the same demands on men that Christian ethics apply.

VIII

In this examination of the relationship of Individualism to selfishness we have shown:

1. That "unselfishness" cannot be defined for business as the application of the principle of charity in the place of the principle of efficiency. The principle of charity has a very limited appli-

cation to business. The principle of efficiency has a very extensive application to business.

2. Forms of "selfishness" which constitute bad manners and poor public relations are not "sin."

3. The term "selfishness" should not be a modern substitute for the terrible sins in the Second Table of the Law. Those sins should be called by their old specific names (violence, adultery, etc.) and not by a new, vague, general name, as "selfishness."

4. The term "selfishness" really means something entirely different from sins condemned by Moses. It means acting according to your personal subjective values rather than sacrificing yourself to the subjective values of others. This pursuit of your own subjective values is erroneously considered by some Christian intellectuals to be a great sin. However, it is not a great sin, because that idea of selfishness involves a denial of (a) the legitimacy of self-love which is approved and, by implication, commanded by Scripture; (b) it assumes a super-human knowledge on the part of every man in regard to his neighbors' "values" or motivations. Only God has the capacity for such knowledge, and He elected to create a world in which man would be free to pursue his own subjective values. What justifies mortal men to undertake what God obviously elected not to undertake?

5. In the process of undertaking (under the banner of "neighborly love" and with the arrogant claim of "unselfishness") the imposition of the subjective values of some men over those of their neighbors, the direct commandment of God is violated. It is not possible to know what *each* man's "values" are, and so "*mass values*" are coercively imposed contrary to the Sixth Commandment.

IX

In summary, *Collectivism* under the flag of brotherly love is always violent and oppressive; and *Individualism* under the banner of humility is always meek and lowly.

Interventionism is in principle a stage on the road to Collectivism. The principle underlying it is Collectivist; Interventionism when full-grown is always Collectivism. fn

Nygren's Two Loves And The Idea Of Selfishness

I

Nygren in his book, *Agape and Eros* (translated by Philip S. Watson, The Westminster Press, Philadelphia, 1953) insists that there are two "loves" and *only* two. He writes, page 100, his italics:

... *the two commandments* [to love God and to love the neighbor] *are two only, and no third can be added to them.* Alongside of the attempt to absorb neighborly love into love for God, there appears throughout Christian history an attempt to find in the commandment of neighborly love a third commandment — that of *self-love*; for the command is "Thou shalt love thy neighbour *as thyself*." Must not my love for my neighbour, then, rest on the foundation of self-love? Is not self-love presupposed here as something without which neighbourly love would hang in the air? Thus, while the commandment of love speaks expressly of *two* things, love for God and love for one's neighbour, there has arisen a strong tradition, which has found acceptance both in Catholic and Protestant theology, that *three* things are included in the Christian commandment of love: love for God, for oneself, and for one's neighbour.

It should not need to be said that the commandment of self-love is alien to the New Testament commandment of love, and has grown up out of a wholly different soil from that of the New Testament. If there were not a desire on other grounds to include self-love among the ethical demands of Christianity, no one would be able to find in the commandment of love any reason for doing so. Self-love is man's natural condition, and also the reason for the perversity of his will. Everyone knows how by nature he loves himself. So, says the commandment of love, thou shalt love thy neighbour. When love receives this new direction, when it is turned away from one's self and directed to one's neighbour, then the natural pver-

sion of the will is overcome. So far is neighbourly love from including self-love that it actually excludes and overcomes it.

Nygren here declares that self-love is SIN. Note that he writes: "Self-love is man's natural [pre-conversion, sinful] condition, and also the reason for the perversity of his will."

How then does Nygren explain the commandment, *Thou shalt love thy neighbor as thyself?* He calls attention to the *spontaneity* and the *natural vigor* of that self-love. It is that spontaneity and vigor that is needed in loving the neighbor. It is the degree and vehemence with which we love ourselves that we should apply to loving the neighbor. Nygren does not consider the *content* of self-love to be made permissible by the phrase *as thyself*, but only the *quantitative* feature. His idea, then, really is, love thy neighbor with the intensity with which you sinfully love yourself. Give as much momentum to the virtue of loving your neighbor as you give momentum spontaneously to sinning by loving yourself. The *as thyself* does not justify self-love at all. Self-love manifests a fallen state and a perversity of the will. Consequently, Nygren wrote:

So, says the commandment of love, shalt
thou love thy neighbor.

The italics for the word *so* are Nygren's. He intends the word to refer to momentum not content. By such a definition, Nygren concludes that all *self-love* is sinful and perverse.

His proposition can be stated extremely simply, to wit: Selfishness is sin. (We have merely substituted "selfishness" for the words, *self-love*, used by Nygren.)

We do not agree with the foregoing explanation of the Commandment, *Thou shalt love thy neighbor as thyself*. We believe that Scripture requires that there be three loves: (1) Love of God; (2) Love of self; (3) Love of neighbor.

Writers who argue against *selfishness* should make their position clear: do they agree with Nygren that there are only two loves required by Scripture — love of God and love of neighbor, and that self-love is forbidden by Scripture as a characteristic of post-Fall man, that is, sinful man. If perchance God has any self-love, He, too, according to this idea, would be sinful. We find it difficult to believe that God would have no self-love.

II

In the light of the definition of Nygren regarding, *Thou shalt love thy neighbor as thyself*, it becomes easy to understand men as Van Tuinen and Lester De Koster when they write about *selfishness*, as follows (our italics) :

Van Tuinen: We take for granted that the church will preach the gospel demands . . . [which] condemn such un-Christian economic practices as . . . *selfishness*, . . . (p. 40 in *God-Centered Living or Calvinism in Action*.)

De Koster: The great difference, then, between capitalist society and Communist society is that the former recognizes social evil, and not that only, but human evil as well. It takes risks in order to allow the greatest possible freedom, while reckoning with the inevitable influence of greed, *selfishness*, and in short, sin (p. 47 in *All Ye That Labor*).

Obviously, the statement of Van Tuinen, which in the whole context can be known to be the essence of his social and economic doctrine, takes on an obvious meaning if he follows Nygren that there are only two loves permitted in Scripture, but that a third love, *self-love* or *selfishness*, is forbidden and is sinful.

De Koster, according to the general tone of his book, *All Ye That Labor*, apparently holds to the same idea. In the quotation just presented he equates *selfishness* with sin. If *selfishness* is sin, and if *self-love* is the same as *selfishness*, then there can be no dispute that *self-love* is sin. That is what Nygren teaches.

Where does the trouble lie in all this? The trouble is largely in the definition of terms. *Selfishness* can represent *sin* in one case and not in another. Probably nobody exists who will declare that "selfishness" is always sin; and probably nobody exists who will declare that "selfishness" is never sin. *It depends on what is meant by selfishness*. In this situation we are reminded of Descartes's famous rules of method for thorough intellectual workmanship. The rules of Descartes are systematically being violated, unfortunately, in the Christian churches.

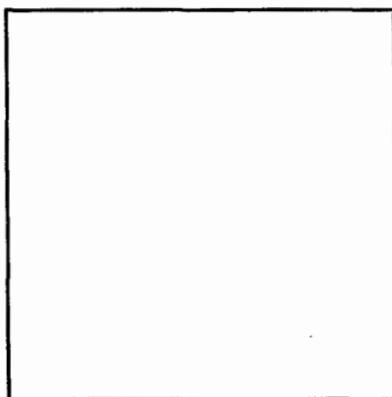
III

This is the basic question: Is the love of self sinful? Nygren answers *yes*. We answer *no*. To obtain his answer Nygren works from the New Testament *only*; he writes that "the commandment of self-love is alien to the New Testament commandment of love, and has grown up out of a wholly different soil from that of the New Testament." To obtain our answer we work off the Old Testament as well as the New Testament. Undoubtedly, it is the Old Testament to which Nygren refers when he mentions "wholly different soil."

Is it worthy of attention to discover what *is* the difference on the questions of *self-love* and *selfishness*?

Let us revert to a symbolism we have used earlier (in the March 1955 issue of PROGRESSIVE CALVINISM) in order to "place ourselves correctly" or orient ourselves to life. What is the purpose of life? Why do we live? What should we do? How should we live?

To give an answer to such questions we have in the past indicated all of life by a square.



What shall we place in it?

There are several possible answers:

1. Live for *God* only
2. Live for *self* only

3. Live for *neighbor* only
4. Live for *God* and *self* only
5. Live for *God* and *neighbor* only
6. Live for *God*, *self* and *neighbor* — all three.

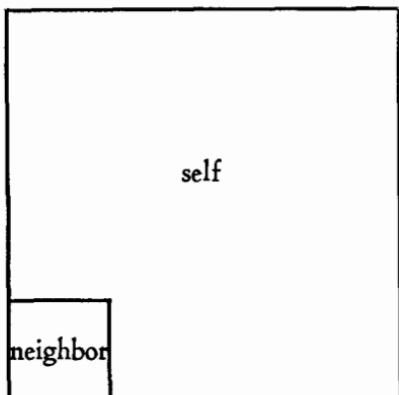
There will be readers who will look at the list and say, "Number one is the answer; we must live for *God only*."

If loftiness is to be the basis of selecting one of the foregoing, then those who select number five give the answer to life that we must live for both *God and the neighbor*. That would appear to be more than living for *God only*, and being more therefore it must be better. Number five is the answer of Nygren.

If the matter be left to us, we would insert in the square answer (6), namely, live for *God, self and neighbor, all three*. But when *three* are inserted in the square, there is the question, how much of the square does each get — how much does *God* get, how much does *self* get, and how much does the *neighbor* get?

Let us first settle between the *self* and the *neighbor*. How much does the *self* keep and how much does the *neighbor* get?

Our answer is candid. The *neighbor* should get very little indeed.* Purely as symbolism we grant him $1/16$ of our "square of life." We show $1/16$ in the lower left hand corner. We keep $15/16$ of this for ourselves. (But see last paragraph in this section (section III) page 187.)



*But see last paragraph in this section, page 187.

Some will smile amusedly and say: The commandment is: Thou shalt love thy neighbor *as thyself*; if so, why not give the neighbor $\frac{1}{2}$ of the square. Then you have devoted half your life to yourself, and the other half to the neighbor. We do not look at life in that quantitative sense. We do not believe that Scripture teaches it; nor common sense; nor sound reason.

Why do we draw the space reserved for the neighbor so small on our square?

Life should not consist in exploiting the neighbor by violating the Second Table of the Law. It is perversion to pursue subjective values at the expense of the neighbor. But *looked at rightly* life has unlimited opportunities for pursuing subjective values without exploiting the neighbor. People should look at life as a magnificent free opportunity in other directions than by exploitation. Consequently, the forbidden phase of the square — the share reserved to the neighbor — is really picayune. We have drawn the small square accordingly.

Has the neighbor been short-changed by the way we have drawn our square? No, because he will in turn draw his own square similarly. He will cut out a small part of his square — the part which would consist of helping himself by harming us.

But, says an idealist, suppose everybody would put everything into it that they could "to live for each other." Everybody would "forget himself" and live only for all others. The answer to this is that it is hopelessly utopian. Nobody will *do* it, although a few will *talk* it. This ideal meets other equally insurmountable obstructions. The attempt to live for each other will cause chaotic confusion. Everybody will be making decisions for everybody else. No insane asylum could unloose a confusion equal to the proposal to "live for others only." And the psychological effect would be ruinous; no one would develop self-confidence, nor self-responsibility. Everybody would develop overwhelming inferiority complexes. The psychological result of my whole life being regulated and attended to by others would be that I would hate them; they would be robbing me of my opportunity to be myself, and independent, and fearless. Of one thing everyone may be certain: charity to those who *need* charity enhances love; but charity to those who

should not get charity embitters them; they finally hate their benefactors. Nygren's definition of neighborly love will cause men eventually to hate each other.

There is *one* part of our definition of "loving the neighbor" which can take a large part of the "square" of life, namely, promoting the gospel. It might even take all the square, except that a person work enough for himself to keep alive. In *that* sense the small square for the neighbor must be progressively enlarged and might even occupy a major part of the square. The social gospel does not teach that we should work for the neighbor only by preaching the gospel to him, but also by the other activities of life. (Van Tuinen, by the way, definitely limits his statement to the "economic.") In regard to the obligation to the neighbor to preach the gospel to him Scripture sounds two notes which have considerable polarity: (1) go out into the highways and byways and drag them in (one polarity); and (2) tell them the gospel and if they do not heed it, wipe the dust (of responsibility for them) off your feet (the other polarity). With so much polarity permissible we shall not undertake to designate the size of this activity.

IV

But, the devout will say, the whole scheme leaves God out of the situation. It must therefore be all wrong.

That could be corrected by taking (1) self and (2) neighbor out of the square entirely and putting in God only. Life then consists only in serving God.

What can that mean? Nobody has seen God, or, according to Scripture, ever will. As far as *seeing* is concerned there will NEVER be proof that God exists, in this dispensation or some future dispensation. The Hebrew-Christian religion is the most conservative in the world because it never expects to have *physical* evidence of God, except the human nature of the Second Person of the Trinity. Article I of the *Belgic Confession* says that God is "incomprehensible [and] invisible."

How serve the invisible and incomprehensible God? How get that "down to earth"?

There appears to be only two ways* that God can be served. By:

1. Recognition or acknowledgment, or as the Christian religion usually expresses it, by worship or *praise*; and by
2. *Obedience* to the Commandments of God. Those commandments are summarized in the Decalogue and its interpretation.

Beyond *praise* and *obedience* our mind has as much run out of content for honoring God as water evaporates out of a stream in a burning desert. Others may have a better imagination than ours; but ours runs dry beyond those two ideas.

In regard to the *praise* idea, it has for us its limitations. There are hymns which describe endless and repetitious praise throughout the ages of eternity. But that, in the hereafter, might be similar to how we presently enjoy a magnificent oratorio by a Mendelssohn or a requiem of a Brahms. Stupendous! But after we have heard the *Elijah* five times in two weeks we leave it alone for a long time. One gets tired of everything. It has similarly always seemed to us that *praise* is secondary in the "living to the glory of God."

What really counts, we believe, is *obedience*. The invisible and incomprehensible God is really honored by *obedience*. The rest is "talk."

Consider a child who pretends to respect you, cozzens you with endearing terms, but disobeys you! Does the "talk" mean much? Are you honored by such an inconsistent and disobedient child?

The question is: how is God honored by *obedience*?

The First Table of the Law demands acknowledgment, praise, trust and affection toward God. Looked at objectively no reasonable man can take offense at the demands of God in the First Table of the Law; they are amazingly moderate demands.

In contrast, it is by a special interpretation of the Second Table of the Law, that over-pious churchmen enlist *all* of a man's life as being required in the service of God. The reasoning is that

*In addition to *praise* and *obedience* which are in the field of action, there is also the purely subjective attitude of a man. We assume attitude will be reflected in action. See James 2:18.

by serving the neighbor we glorify God. Therefore, the more we serve the neighbor, that is, substitute his subjective values for our subjective values, the more we glorify God. Therefore, further, every man should concentrate every effort to live solely for the neighbor — wholly unselfishly, that is, as the neighbor wishes him to live — and thereby "glorify God."

But Scripture defines loving the neighbor as consisting only in: (1) not harming him; (2) being forbearing and forgiving; (3) showing charity; and (4) proclaiming the gospel. No more. God is, we believe, greatly honored by our exercising these great virtues. They cover the whole catalogue of virtues required in the Second Table of the Law according to the interpretation of both the Old and the New Testaments.

It is by such conduct — by *actions* — by OBEDIENCE — that God is glorified. In short, the most tangible way to glorify God is to love the neighbor as Scripture specifies, but not as Nygren specifies, which means abandoning your own subjective values and substituting the subjective values of all other people.

In an earlier issue (PROGRESSIVE CALVINISM, September, 1956, pages 278-286) we have presented evidence that *obedience* was the basic principle by which the original Calvinists in the sixteenth and seventeenth centuries endeavored to "glorify God." It was their opinion that by obedience to the Biblical definition of neighborly love more tangible evidence was given of "glorifying God" than by a chorus of hallelujahs.

V

When Nygren attacks selfishness he is not attacking the same thing that we attack. He is not attacking violence, adultery, theft, falsehood and covetousness. He is attacking personal, subjective values — the pursuit of your own values, the acceptance of your own responsibility, the living of *your own life*.

That is not the old Biblical idea. Because Nygren's is a *new* idea, a new word must come into prominent circulation, the word *selfishness* — a new and great sin, evidenced by all who lack *agape* as Nygren has defined it.

Clearly, for *that* sin, a term is needed which is pervasive, immeasurable, great enough to cover all failure to live the lives of all neighbors for them. That idea is admirably expressed by the word *selfishness*. But the idea involved is unscriptural.

VI

Many modernist theologians and some conservative theologians hold, more or less clearly, to Nygren's condemnation of the pursuit of personal, subjective values.

That attitude is a "loftier" one than we can accept. Nygren flies high in his idealism. We are pedestrian and earthy.

Although many modern Calvinists may be with Nygren and against us in this matter, we do have a "cloud of witnesses" with us, or more accurately said, we are with them.

In the main, Calvinists in the hey-day of Calvinism were of the same mind as we have outlined — the Puritans, the Presbyterians, the Reformed in the fifteenth to nineteenth centuries — 400 years. But since the latter part of the nineteenth century and in the twentieth century there are fewer with us and more with Nygren. Religion has become more idealistic, and maybe sanctimonious.

In addition to the Calvinists of the past, the prevailing ideas among the Fundamentalists of the present day are, we believe, the same as we have outlined. The Fundamentalists are strict Biblicists, as we are, too. They are with us, and we are with them.

It would be a mistake to fail to mention that Communists are closer to Nygren's idea than to ours. Communists are genuinely against the pursuit of personal, subjective values. They will agree with Nygren that the pursuit of personal, subjective values is sin. They will concur with Nygren that every man should live only for his neighbor. We do not expect our ideas to be accepted in countries behind the Iron Curtain. We have too lowly a religion. Their religion of brotherly love is "higher." But nothing can be more useful to them than this idea that the pursuit of personal, subjective values is SIN.

VII

When we read essays as Van Tuinen's "The Task of the Church for the Solution of Modern Problems" in *God-Centered Living or Calvinism in Action*, published by the Calvinistic Action Committee, or a book as Lester De Koster's *All Ye That Labor*, we regretfully realize that basically our "principles" are different. If they and we both go by the name *Calvinist*, there will be confusion. The different and conflicting ideas should not go by the same name.

One basic tactic should, however, be strenuously opposed. That tactic consists of intellectuals in the Nygrenian tradition beginning with an attack on *selfishness* meaning violence, adultery, theft, falsehood and covetousness — sins which are sins. But then they shift; having qualified or accredited their attack on *selfishness* by referring to those positive evils, they then subtly carry over their attack to that other definition of *selfishness* which is merely the legitimate pursuit of personal, subjective values.

By that intellectual gymnastic, legitimate self-love is condemned under the disguise of an attack on violence, adultery, theft, falsehood and covetousness. It is "no fair." We shout "foul ball." fn

Summary Of This Issue

We have wandered through several definitions of *selfishness*; it will be valuable to enumerate them, and to relate Individualism with these several definitions.

Definitions Of Selfishness	Related To Individualism
1. A principle, contrary to efficiency, by which businesses should be managed (see p. 172-4).	1. No.
2. Bad manners—unthoughtfulness; letting others (who are foolish to do so) do work you should do (see p. 174).	2. No.

3. Sins against Second Table of Law. This is the old fashioned definition. (See page 174-5).
4. Pursuit of legitimate self-regarding interests; legitimate self-love. (See pages 175-7).
5. Pursuit of *subjective values* by others as well as self, that is each's *own judgment* rather than another's, that is, *maximum liberty* (pp. 178-179).
3. Yes. Individualism is against these, but see 4 and 5.
4. Yes, essential to Individualism.
5. Yes, this is more accurately Individualism than number 4, because Individualism is not restricted to self-love, Individualism being more closely related to liberty.

Individualism is number 5, controlled by the restrictions in number 3; subjective values (number 5) may be pursued, provided the demands of the Law (number 3) are observed.

If numbers 4 and 5, controlled by number 3, constitute selfishness, then Individualism involves selfishness.

We hold, however, that *liberty controlled by the Law of God* is not sinful selfishness.

* * *

In the next issue we shall continue our discussion of Messianic Interventionism.

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Fan Mail; Critical Mail; Doctrinal Mail

I

Some of our mail is fan mail; some is critical; some is abusive. The mail that surprises us is mail which is neither complimentary nor critical, but which reveals the correspondent's ethics and religion (doctrines).

Naturally, according to the "lights" of these correspondents, they are confident that they outline the true religion. In some instances we agree with them, but in others we do not.

II

We have concluded that the "general character" of these doctrinal letters with which we disagree is their "idealism." Our correspondents aim too high in their religion. They hold to a doctrine that not only is impossible for a "fallen" man to attempt, but also is a nonsensical and impossible doctrine for a perfect or "nonfallen" man to try. Religion is being set so high that it collides with common sense and sincerity.

As "men of the world" conducting our lives largely outside of isolated Christian communities we are constrained to believe that religion damages its cause by setting super-attainable goals.

III

The general character of these super-attainable goals centers around the idea of *unselfishness*. Men, some of our correspondents write, must be *unselfish* and live *unselfishly*. Selfishness is SIN.

The acts of *selfishness* referred to are not sins against the commandments of God in the Mosaic decalogue; instead, although the term is never carefully defined, the content shows that *selfishness* means that each man must surrender "his own values" in practical affairs (especially economic matters), and substitute therefore (1) what he *thinks* others wish from him; or (2) what others coerce violently out of him; or (3) what others coerce out of him by passing restrictive laws. In every case, the proposition is that one man's judgment should *bow* to another man's judgment; then and only then is a man *unselfish*.

Obviously, this involves several practical questions. For one, the idea destroys the very basis of personal *liberty*. (Is liberty of no value?) Secondly, it will result in either chaos or tyranny — chaos, when others disagree among themselves what they wish from us; and tyranny, when they band together and select a "mass value" which they impose on us.

Idealistic religion thus becomes the basis for a devastating attack on liberty.

We feel constrained, therefore, to put in a defense for *selfishness* correctly and univocally defined, as against selfishness defined over-piously as we have just outlined.

IV

We believe this question is of prime importance for ministers and moralists. The profession of being a minister is, if our observation is correct, steadily declining in prestige. On formal and public occasions ministers are still recognized semi-respectfully, but at heart most of the men we know hold preachers in contempt. Preachers are considered to be impractical, insincere and even genuinely hypocritical. Preachers have part of this reaction coming to them legitimately; we refer to that part where *selfishness*, when meaning nothing more nor less than legitimate liberty, is condemned by them as a sin.

One way (certainly not the only way) to restore religion to a place of honor is to get the piosity and sanctimony out of the message and replace it with wholesome Biblical realism. When that is done people will talk about sinning *against the Law of God* rather than sinning by *selfishness*. There is a great difference between sins defined by the Law of Moses and the sin of selfishness as defined by the social gospel. fn

A "Sin" Which Is Beneficial

Some 18 or 20 years ago a corporation, which we shall call Corporation *A*, explored with the writer the idea of analyzing their welding equipment business. Nothing came of it.

The problem was an interesting one. A competitor of Corporation *A* was the Lincoln Electric Company of Cleveland. We were told by the executives of Corporation *A* that the prices charged by the Lincoln Electric Company for its product were so low that Corporation *A* could not sell at those prices and make any money. In other words, the Lincoln Electric Company was horrible "cut-throat" competition.

We next heard of the Lincoln Electric Company during World War II when they were in trouble with the government of the United States. The government had put in "wage ceilings." These wage ceilings were being violated, the government declared, by the Lincoln Electric Company incentive system, under which employees were earning as much as \$8,000 or more a year, which was high for those times and which the government considered excessive. The Company fought to keep its incentive system in effect. It declared that the *productivity of the employees* justified the high wage, and that the high wage was a creative incentive to the employees.

We recalled the previous information we had obtained about the Lincoln Electric Company, namely, the low prices of its products. And here it was paying very high wages. How reconcile (1) high wages to employees with (2) low selling prices?

Obviously there was one plausible answer, namely, extraordinarily high productivity per employee. If the output per man was high, the wages could be high and nevertheless the prices of the products could be low.

Interestingly, Corporation *B* (another competitor of Lincoln Electric Company), for which we did some work *after* World War II, also discussed with us its problems in competing with the Lincoln Electric Company. Corporation *B* was being "outsold" by Lincoln Electric. It knew that the remuneration structure of Lincoln Electric was far higher than its own. It knew that the explanation was largely the productivity of the Lincoln Electric employees. But they could not believe that the productivity of the Lincoln Electric employees alone could explain three things — the low prices, the high wages, and the high profits of Lincoln Electric.

For that productivity to explain those three conditions seemed fantastic to the executives of Corporation B. The contrast was too great with their own prices, wages and losses.

Could it be that there was some iniquity involved in this Lincoln Electric situation? We were given a clue to the solution from some material in a university textbook which quotes from a Lincoln Electric publication. We discovered that the favorable prices which Lincoln Electric gives its customers, and the high wages which it pays, and the large profits which it makes stem from *selfishness*.
fn

A Businessman's Praise Of Selfishness

On page 1 of a book put out by J. F. Lincoln, president of the Lincoln Electric Company, entitled *Intelligent Selfishness and Manufacturing*, the following paragraphs appear:

Great as American industry is, it leaves largely untapped its greatest resource, the productive power, initiative and intelligence latent in every person. The prophet states it — "Thou madest him to have dominion over the works of thy hand." That conception is a far cry from the normal evaluation of man by his contemporaries. Truly man is so made but our industrial system does not now fully develop these abilities.

There have been many who have guessed what the result would be if a large, intelligently led, enthusiastic organization should use the powers latent in all the individuals to a common end. What would happen when all are equally anxious to produce a product at the lowest possible cost? What would happen when all want to make the wages of all workers, from sweeper to manager, a maximum? What would happen when all want to make the company profitable since it is largely owned by the workers in it?

This cannot be done by human beings except by the exploitation of the driving force fundamental in all of us, namely, selfishness. Selfishness has a bad reputation but

that is because of a narrow conception of what it really is. No program involving the human race developed as it has been through the ages on the concept of the "survival of the fittest" can be founded on any other principle than selfishness. The only necessary corollary to this principle to make it attractive, helpful and satisfying to all concerned is to make this selfishness intelligent. The greatest heights we attain as humans — patriotism, parenthood and friendship, are all based on this same human trait — selfishness.

Here is a businessman who declares that selfishness stimulates people to be more active and to accomplish much. The companion idea is that if people do not work *for themselves*, their own interests or their own values, they will not accomplish much. *Selfishness* from this view is clearly a great blessing to the individual and society.

J. F. Lincoln distinguishes between intelligent and unintelligent selfishness. We would say "scriptural selfishness" versus "unscriptural selfishness." Unscriptural selfishness is the pursuit of personal subjective values, at the expense of the neighbor *by violating the commandments of God.*

fn

TIME Magazine On "Wage Incentives," A Remuneration System Based On Selfishness

The following is taken from *Time*, Volume XXXIX, June 8, 1942, pages 82ff.

WAGE INCENTIVES

A \$4,100-a-year foreman got \$25,000 extra; an \$8,000 superintendent got \$50,000; a \$6,600 vice-president got \$50,000 too. All told, \$2,071,315 was passed out in bonuses last year — nearly 10% of gross sales, and about 80% of net profits.

But when the House Naval Affairs Committee finally got the whole story of the Lincoln Electric Co.'s bonus system last week, it looked like something else

again. It was, in fact, the story of an eight-year-old wage and production policy established by a Cleveland electrical engineer with a mania for incentive pay. James Finney Lincoln is the biggest maker of electrodes and welding equipment in the U.S., and he likes to intone that "the labor cost of any product can be reduced to zero" through inciting workers to make continuous improvements in production method and design.

Since 1934, Lincoln Electric's own operations have been a case history of James F. Lincoln's pet theory. With sales ballooning from \$4,273,000 to \$24,189,000, and profits rising more slowly from \$1,403,000 to \$2,583,000, he raised his incentive bonus payments from 10% of net to 80%. This system is worked in conjunction with low base pay compared with going rates for the trade, so as to permit the company — in James Lincoln's words — to "skate through a tough period without going broke." Nevertheless the average worker's total pay has gone from \$1,996 to \$4,879 in the past decade, while the productivity per man has gone from \$6,107 to \$25,025. And a Lincoln welding electrode that sold for 16c a lb. in 1929 now sells for 4.8c per lb.

Ninety per cent of Lincoln's whopping bonuses go to the men behind the machines; to make them still more profit-conscious, they have been permitted to buy 30% of the company's stock. fn

Is The Science Of Economics A Science About Sin?

If selfishness is sin, then the science of economics is a science concerning itself with sin, because economics deals with selfishness.

Of course, the specific meaning of selfishness is important. As used in the foregoing paragraph selfishness is used in the sense that it is used by the advocates of the social gospel, namely, the free pursuit of your *personal subjective values*, usually directed toward your own self-regarding interests.

There are two other possibilities regarding motivations according to which you might or do act, namely, (1) you might act according to the conflicting *subjective values* of a billion *other people* (which would be chaos and drive you insane), or (2) you might act according to the contrary *subjective values* of the *mass* of other men collectively or dominated by a dictator. As the first alternative is not possible, the second is the only real alternative to your own personal subjective values.

That means, obviously, that you are voting either for liberty or nonliberty; liberty, if you are permitted and do pursue your own subjective values; and nonliberty if you are required by force or by a false religious doctrine, to submit to the subjective values of others expressed through a dictator, or a mass of men operating through their elected representatives.

Clearly, considering those alternatives, a man — when he is thinking through his personal system of ethics (his relations of men to men), that is, when he decides either that selfishness is sin or is nonsin, — is either against liberty or for liberty.

A fundamental idea of the social gospel is *agape*, unmotivated love. This *agape* idea has, as an inescapable corollary, that there should be no *discrimination*. To discriminate is to be motivated. The self must be forgotten; all men should be treated without discrimination. To discriminate is, according to the ideas of the social gospellers, really to engage in a double sin; (1) you have followed your own subjective values; and (2) you have not evaluated all others unmotivatedly, that is, equally. To be unmotivated requires that a man make an *egalitarian* approach to problems, which means an equalizing, leveling approach.

It is important to note one significant fact. The social gospellers do not use the foregoing definition *only* when they refer to selfishness. Selfishness, for them, has two definitions. Their first definition is the positive sins against the Ten Commandments. They first establish selfishness to be sin by referring to the commandments of God. Then they shift to selfishness meaning merely the pursuit of personal subjective values. They sail under two flags. Like a pirate ship, centuries ago bearing down on a hapless Dutch merchant ship, it flies a Dutch flag until the merchantman is within firing range. Then the Dutch flag is hauled down,

and a pirate flag is run up. Similarly, the social gospel sails under the flag of the Ten Commandments until it gets down to cases, and then it pulls down the Ten Commandment flag and runs up the selfishness flag, the agape flag (unmotivated love), the non-discrimination flag.

Paul J. Tillich, who recently was invited to speak at Calvin College and Seminary, is a social gospeller, and one-time leader of the New Socialists (I think that was the name) in Germany. Tillich, when in Europe, wrote a book or article that language should "grow," that is, that words should grow in meanings. There is no question that words have changed their meanings in the social gospel. There is nothing new in this. Marx, Lenin, Stalin, and Hitler, all holding to the same basic ideas, deliberately worked at changing the meaning of words. What Tillich was recommending was for words to operate as pirate ships — begin with one flag but let it change; Scripture should not mean the same thing to the successive generations; the meanings of words should "grow"; of course, they should "grow" in the direction of the social gospel.

Ludwig von Mises, the famous economist, wrote an article against Tillich's theory of words "growing" in meaning. Von Mises wishes words to mean some specific, definite, fixed thing. Only then are words good tools for thought. That idea is reported to have incensed Tillich.

PROGRESSIVE CALVINISM belongs to the Von Misesian school of thought. For us, words must have definite, fixed, agreed-upon meanings. For us, selfishness should not "grow" and mean first a violation of the Ten Commandments, and secondly a denial of the legitimacy of the pursuit of personal, subjective values. fn

Nietzsche Versus Progressive Calvinism Versus The Social Gospel

PROGRESSIVE CALVINISM's ideas are different from Friedrich Nietzsche's ideas on the one hand and the social gospel's on the other. PROGRESSIVE CALVINISM's position is that of the Hebrew-Christian Scriptures, historically and traditionally interpreted. The three positions are as follows:

1. *The traditional Hebrew-Christian Position:* A man has liberty to pursue his own personal, subjective values; do what he wants to do himself. This pursuit of his own values, which may mean he is working for his own interests or the interests of others — but nevertheless he is working for *his own* values — can be called and often is called *selfishness* and is by the use of the term condemned. What people mean is that you should not pursue your own, personal, subjective values but you should pursue the values of others. That is an error. Scripture authorizes selfishness. However, there is a qualification to it which is important, namely, you may not, while pursuing your own personal subjective values, do that at the expense of your neighbor by violence, adultery, theft, fraud, covetousness. Furthermore, you must be forbearing and forgiving; and you must show charity; and you must proclaim the gospel. That is all any man really *owes* to another man.

2. *Nietzsche Position:* Nietzsche agreed with Scripture that a man is entitled to pursue his own, personal, subjective values. But what he did not agree to was that there was a restraint on that pursuit, namely, no harm or ill will or neglect of the neighbor. Nietzsche declared that violence, fraud, exploitation of the neighbor were right and proper. Consider what he wrote in his *Beyond Good and Evil* (The Modern Library edition, pages 199-200):

To refrain mutually from injury, from violence, from exploitation, and put one's will on a par with that of others; this may result in a certain rough sense in good conduct among individuals when the necessary conditions are given (namely, the actual similarity of the individuals in amount of force and degree of worth, and their co-relation within one organization). As soon, however, as one wished to take this principle more generally, and if possible even as *the fundamental principle of society*, it would immediately disclose what it really is — namely, a Will to the *denial* of life, a principle of dissolution and decay. Here one must think profoundly to the very basis and resist all sentimental weakness: life itself is *essentially* appropriation, injury, conquest of the strange and weak, suppression, severity, obtrusion of peculiar forms, incorporation, and at the least, putting it mildest, exploitation;

— but why should one for ever use precisely these words on which for ages a disparaging purpose has been stamped?

* * *

“Exploitation” does not belong to a depraved, or imperfect and primitive society: it belongs to the *nature* of the living being as a primary organic function; it is a consequence of the intrinsic Will to Power, which is precisely the Will to Life. — Granting that as a theory this is a novelty — as a reality it is the *fundamental fact* of all history: let us be so far honest towards ourselves!

Whereas Nietzsche teaches selfishness *unrestrained by* the Law of God, Scripture teaches selfishness *strictly bound by* the Law of God. They are poles apart — not about selfishness but about the means of gratifying selfishness.

3. *The Social Gospel Position:* The Social Gospel denies that it is legitimate for a man to pursue his own personal, subjective values for himself. He must live for others. Then only does he love them, have *agape* toward them. Indeed, he must be prepared to have neighbors collectively impose their will on him, and do for themselves *collectively* what Nietzsche said men could do individually. The Social Gospel then teaches as the supreme ethics, as the great teaching of Scripture:

(a) That you must, according to their misinterpretation of *agape*, submit to the wishes and wills of others. Then only do you consider “the other better than self.”

(b) That Nietzsche was right that the Will to Power and exploitation should be the basis of society, but with this difference: what Nietzsche said an *individual* might do, the social gospel says the *group only* may do. This has been clearly realized by the man by far the most lucid in his social gospel thinking — Reinhold Niebuhr. *He* has realized that the social gospel program

can be accomplished only by an immoral society, a society which does exactly what Nietzsche said an individual should be permitted to do — namely, engage in injury, violence, exploitation. (See Reinhold Niebuhr's *Moral Man And Immoral Society*, (Charles Scribner's Sons, New York, 1952) where he teaches candidly and honestly and with intellectual clarity that an individual man must be moral, but that society will have to be immoral in order to accomplish the social gospel.)

The social gospel, as a wolf in sheep's clothing, pretending it is following the teaching of Christ who was "meek and lowly," basically claims for society what Nietzsche claimed for the individual.

The teachings of the social gospel are sanctimonious, oppressive and false; sanctimonious, because it teaches that selfishness is sin; oppressive, because it teaches that a man is not entitled legitimately to pursue his personal, subjective values; and false because (as its few, keenest exponents admit) to carry out a social gospel program a society must engage in the same practices as Nietzsche advocated.

fn

How Protect Liberty? By Men? By Law? By Super-Law?

Selfishness, when defined as the pursuit of legitimate personal subjective values, is another name for *liberty*. Let us consider five methods by which liberty can be protected and safeguarded.

I

You can turn to a strong man and say: You protect me and I will work for you and pay you in services and in goods. I will be your vassal. You will be my lord. This was the system in the Middle Ages, known as feudalism.

The danger in this is that such an arrangement was an unequal one. Strength was on the side of the lord. His protection could easily deteriorate into exploitation. Kings, dukes, counts and earls have not been famous for their protection of *liberty*.

However, the vassals in the political structure of the Middle Ages greatly preferred their subordinate position to the only alter-

native. The alternative was periodic exploitation and ravishment by a *foreign* lord. The "utility" of a liege lord of your own might not be high, but it was higher than the "utility" of a marauding and invading liege lord. People in the Middle Ages did not accept the feudal system because they were stupid about its advantages or disadvantages, but because it was better than the alternative.

II

The long relationship between liege lord and vassal resulted in a gradual formulation of mutual rights and privileges. A series of rights for vassals were finally developed. The rebellion of the Dutch against the Spaniards in the Eighty Years' War was based on the claim that their "ancient privileges" had been violated. In other words, something had been developed which was considered superior to both lord or vassal, a *super-law*, which could not properly be violated by either lord or vassal. This super-law consisted of "ancient privileges," that is, customs or contracts. The case of King John in England at Runnymede, when the Barons extorted *Magna Charta* from him, is a classical case illustrating the need for a law above the strongest.

III

The vassals, the people, became stronger with the rise of commerce and the great commercial cities. The day of the vassal in Western Europe was really ended. Some device more effective to protect liberty was sure to be developed. This might be described as a government by the people rather than a government by the aristocracy.

A "government of the people, by the people and for the people" has some great merits. In such a structure every man is supposed to be protecting his own interests, his own liberty. Who could have a greater interest in liberty than every man for himself! Democracy is, therefore, a great device for maintaining liberty. The idea is obvious, because it relies on every man's selfish interest in liberty. Each man is more likely to protect his own liberty, than anybody else acting for him. If *A*'s liberty means to *A* what it should mean, he will fight for it at the risk of his life. But *B* is not likely to have nearly so vital an interest in *A*'s liberty as has *A*.

Surely, then, liberty should be better protected in a democracy than in any other kind of government.

IV

But disappointingly, democracy itself has failed to maintain liberty. Some democracies have deteriorated at a terrible pace into the vilest tyrannies; consider the French Revolution. The explanation is that although the theory is that the people are the rulers, the actual agency for rule is separated from them individually. A democratic government is as separated from the people as is an aristocratic form of government. The government operates differently than the individual wishes it to operate. If the answer is that the "majority must rule," this is as much of a threat to individuals and minorities as if there be an aristocratic government. A "majority" is not necessarily right. A majority may actually dislike a minority, or their dissent. A "people" can become as oppressive as a king. The prevailing opinion is that the "people" are usually more oppressive than a tyrant. The reason is that majorities are "power happy" which an individual tyrant cannot really afford to be.

Democracy, as such, is not a final guarantee of liberty. It is a limited guarantee.

V

In the same way as "ancient privileges" and customs protected vassals against their liege lords, so something must be developed by ordinary citizens against their republican or democratic government. This protection is known in modern times as a constitution, unwritten in England, or written as in the United States and in its individual states. A constitution is by definition above the government. It comes from the real earthly sovereign, namely, individual people. But everybody, including the personnel of the government, in a democracy or a republic (or a constitutional aristocracy or monarchy), are *under* the constitution. The constitution is the great protector of liberty. This has been the situation in the United States until the beginning of the twentieth century. Since then the Constitution has progressively become a lesser and lesser protection. (See John W. Burgess's *Recent Changes in American Constitutional Theory*, Columbia University Press, 1923. And then consider developments since that book was written.)

A constitution is relatively unchangeable. Many safeguards are placed around it. Amendments and changes to it usually require more than mere majorities. A government with a genuine constitution approaches in character a genuine *Rechtsstaat*.

VI

But there is still a difficulty. The constitution itself may be defective, and fail to protect liberty. Who are the men who can draw up a perfect or even a really good constitution? Every defect of a constitution — in regard to the *content* of liberty and in regard to the *machinery* for liberty — will surely be revealed by experience in time.

Constitutions can and do fail (1) because of their original defects, (2) because they are badly administered by those in the government, or (3) because the people lose awareness of the priceless value to them of the constitution, for their liberty.

VII

The basic question is: Is there a fundamental *constitution* anywhere that can be turned to in order to protect liberty? Is *liberty* always dependent on a gentle liege lord, or on each man for himself in a democracy or republic, or on a man-made constitution with defects? Or is there a perfect constitution available for the organization of society?

Readers of PROGRESSIVE CALVINISM will know that it has a definite answer to that question, namely, that there is, indeed, a perfect and simple constitution available for the organization of society, namely, the *Law of God*, as given to Moses, and specifically the Second Table of the Law, *correctly interpreted*. That, for us, is a supreme and perfect constitution for organizing society and protecting the liberty of the individual. Draw up a constitution which requires what the Mosaic Law requires and you have a controller of governments — a *supreme* law — which will perfectly guarantee liberty. What is the character of that supreme constitution?

1. Everything is free; every man can do as he pleases; he can pursue his self-regarding interests; he can pursue his own personal subjective values.

2. But — and here is the second integral part of a perfect constitution for society — in being free yourself, you may not pursue your freedom at the expense of your neighbor. No government may itself do something at the expense of its citizens nor permit one citizen to do to another what the Law of God prohibits. The supreme constitution is:

- (a) no violence
- (b) no adultery
- (c) no theft
- (d) no fraud or falsehood
- (e) no covetousness

No law, from our view, may be passed by any government which violates these rules. Any more detailed constitution written by men must, in our view, embody the foregoing content or substance, or it is a defective constitution.

VIII

A government must exercise power. Power exercised by any government should be based on the *general* and *prevailing* teaching of Scripture, namely, to prohibit the doing of ill to the neighbor, as summarized in Romans 13:10, "Love worketh no ill to his neighbor; love therefore is the fulfilment of the law."

Any man-made constitution which goes beyond the Law of Moses is a defective constitution. The Law of Moses is for us the "constitution of constitutions."

The protection of liberty may be assisted (1) by good rulers, (2) by the individual self-interest of people, (3) by a government of stable laws and not a government of capricious men, (4) by a control of government through a "constitution" drawn up by men, but (5) the supreme protection of liberty is the Law of God, revealed through Moses.

IX

We would not, however, be satisfied to declare that the super-constitution to which we refer rests *only* on the *revelation* through Moses. It is also a *rational* constitution for society. Hard thought will reveal that Moses declared rules which are inescapably sound. Consider his rule against adultery. It can be looked at as an arbitrary and oppressive rule. But it must also be a beneficent rule. Activate your mind to satisfy yourself that the rule can be bypassed or cheated. But in vain; eventually you abandon in frustration the endeavor to rationalize a contrary rule.

The Law of Moses is a universal, inescapable constitution for society and the greatest aid to liberty and happiness ever formulated.

Every premise of the ethics of the social gospel conflicts with this structure to protect liberty. The social gospel:

1. Denies the primary right of selfishness, the pursuit of your own personal, subjective values.
2. It considers a government to be sovereign, rather than the people. The state, itself, may violate the Law of God: individual men may not. Consider Reinhold Niebuhr's *Moral Man and Immoral Society*.
3. It interprets the Law of God in a fantastic manner, namely, "love" consists in self-effacement for the neighbor. fn

What Gold Is To Money, The Law Of God Is To Liberty

There are, in a simplified sense, only two ways to regulate money, namely, a gold standard versus a managed-by-men standard. We explained that in elementary form in the June 1956 issue of PROGRESSIVE CALVINISM. Money can be given a legal form and circulation (1) so that the quantity *cannot* be increased easily; or vice versa, (2) so that the quantity *can* be increased easily.

Men have "reasoned" that a controlled quantity expandible and contractable according to the judgment of men (presumably of experts) would be a good thing, something definitely better

than an inflexible, uncontrollable currency. It sounds plausible, and so the world generally, including the United States, has "gone off" the gold standard, in the correct sense of the term.

There has been, there is, and there will continue to be a grave penalty from this erroneous policy. The dollar will continue to depreciate in value as long as the United States is off the gold standard or its equivalent. That is not a rash prediction. The history of the world for 5,000 years has shown that paper money ALWAYS depreciates. *There is not one exception to that.* The reason is that the pressure is always for more money, as if more money will solve general economic problems! Men need an incorruptible, nonincreasable monetary unit, except increasable only in relation to current prices and costs generally. Gold meets that requirement better than any other mortal being or thing.

Similarly, liberty is not safe when left to "men." A more incorruptible defense is necessary to protect liberty. That defense needs to be better than men themselves. It must be in something outside of men, something unalterable and incorruptible.

What gold is to money, the Law of God is to liberty. fn

Does Modern Calvinism Approve Of Capitalism?

I

If the question is asked: Does modern Calvinism approve of capitalism, the answer might be expected to be a positive Yes or a positive No; but modern Calvinism "halts between two opinions."

Such "halting between two opinions" is surprising because genuine Calvinism is known to have been fertile ground for the growth of capitalism. Capitalism has flourished in countries predominantly Calvinistic, that is, Calvinistic in the old-fashioned sense.

Enlightening relative to the relationship of modern Calvinism to capitalism was the discussion several years ago in a public forum by three men, (1) Rev. Stanley High, an editor for *Readers' Digest*; (2) Rev. Norman Thomas, oftentimes a socialist candidate for

the presidency of the United States; and (3) Dr. W. H. Jellema, head of the philosophy department of Calvin College, Grand Rapids, Michigan, the college of the Christian Reformed church.

These three men represented the following positions:

Rev. Stanley High	Capitalism
Rev. Norman Thomas	Socialism
Dr. W. H. Jellema	?

It is not possible that Jellema represented capitalism because High represented capitalism. Thomas represented socialism. Jellema must have held the opinion that he represented something better and different from capitalism. Otherwise, he was merely a duplicate of High on the program. What is the name given to that position represented by Jellema in this celebrated public debate? Certainly, a position needs a *name*, or a *term*, to designate or signify it.

In more than 40 years in the Christian Reformed church we have never heard a *name* for the Jellema position. We would almost say: What idea can have reality if there is not a symbol or a sign, or a word to signify the idea? There is nothing unique in the position Jellema took. It is the position of most of the intellectuals in the denomination.

Modern continental Calvinism is dominated by the ideas involved in the "nameless" position taken by Jellema. In 1956 the Anti-Revolutionary Party in the Netherlands put out an official pamphlet entitled *Overheid en Economisch Leven* (Government and Economic Life). The subtitle of this 43-page pamphlet has this description: "Economic views, prepared upon request of the General Commission of the College of Advice of the Anti-Revolutionary Party." The publisher is the Anti-Revolutionaire Partij Stichting, Dr. Kuyperstraat 3, The Hague. This publication adopts in a general way the same position as Jellema adopted in the public forum.

[We did not hear the debate itself but subsequently heard Jellema's description of it. In a *general* way the position of Jellema is the same as that of the Anti-Revolutionary Party. This is

not intended to commit Jellema to every doctrine of the Anti-Revolutionary Party, nor the Anti-Revolutionary Party to all the views of Jellema. We are speaking here only of the question: What is the position of both Jellema and the Anti-Revolutionary Party on capitalism? Are they for capitalism or are they against it? Or do they equivocate — "halt between two opinions"?]

There is no "official" position, as far as we know, in the Christian Reformed church regarding what its attitude is toward capitalism — favorable, unfavorable, or equivocal. But if speeches, sermons and writings of men who are members of the Christian Reformed church and are prominent in its intellectual life can be taken as a criteria, then the prevailing attitude in the Christian Reformed church is basically equivocal. It "halts between two opinions" on capitalism.

II

Capitalism is based on the principle of *freedom*, especially on *free markets*.

Capitalism is held to have, according to the prevailing Calvinist opinion in the Netherlands and among many of those of Dutch descent in the United States, a fatal deficiency. Capitalism is believed to have too much of a certain principle in it, namely, *too much freedom*. Therefore Calvinists in the *modern* Dutch tradition, whether living in the Netherlands or in the United States, reject capitalism.

Consider what the Anti-Revolutionary Party pamphlet just referred to says. (This party is the political party which draws most of its membership from among the members of the *Gereformeerde Kerken* (Reformed church) in the Netherlands, which the Christian Reformed church considers a sister denomination.) On page 8 of the pamphlet there is a fairly objective description of "price formation" in free markets (*prijsvorming*). Then on page 9 one can read the qualifying (or really nullifying) criticism of "free markets" (our translation):

The aforementioned factors have resulted in the evidence that even in the preceding century the liberal principle of free markets is untenable. At numerous points

intervention [intermeddling] of the government proved to be necessary.

Here we have the basic economic proposition of modern Dutch Calvinism, to wit, the "*liberal principle of free markets is untenable*" (our italics).

This unfavorable attitude against *free markets* is relatively modern among Dutch Calvinists. It begins to be significant with Abraham Kuyper, Dutch theologian-politician who dominated much of Dutch Calvinism for 30 years prior to World War I. In this Kuyper was merely a "child of his time." He represented a trend in public opinion away from freedom and liberty and toward *Dirigisme*, that is, interventionism, and especially toward guild socialism or syndicalism.

The older Calvinists everywhere were of a basically different school. They were not afraid of free markets. They created them.

The turning point away from freedom came for Dutch Calvinists when they progressively more and more misinterpreted the French Revolution. The criticisms of the French Revolution by Groen van Prinsterer were wholly valid, but since the time of Abraham Kuyper confusion about Individualism and Collectivism has become more and more disastrous. Our *earlier* Calvinist ancestors, that is most of them before 1875, were not against a genuinely free market, as are today the members of the Anti-Revolutionary Party, *in part*. (It should be kept in mind that that party is *for* free markets and *against* free markets — that it "halts between two opinions.")

Lester De Koster in his book also repudiates capitalism. He writes in *All Ye That Labor*, pages 108 and 109:

The reason [why capitalism . . . [is not] tottering toward Revolution nor acting as if it were what Marx described it to be] is that economic laws have been modified in practice to some degree by religious and moral commands. The reason why a society ordered, as mid-nineteenth century England was ordered, solely by the

laws of economics cannot escape degeneration is because economic laws are in the last analysis dictated by relations between things and man's desire for things; and therefore other human interests and higher values often perish by the wayside.

* * *

As a simple matter of fact the laws of the free economy advocated by the school of Adam Smith, and commonly called the Manchester or *laissez-faire* school, have [by State interventionism] been made subservient in the crucial instances to the recognition of human needs, human dignity and human moral responsibility to God and to man.

And later he writes (page 113):

We are thus led back to the problem of evil in human relations. Classical economics did not take evil seriously. Because it did not do so, there arose kinds of interference [big business, monopolies, etc., presumably] with the "laws" of economics which produced results which Smith did not foresee.

De Koster's idea is that the results of "laissez-faire" were bad.

And later De Koster writes (page 114):

The entrance of the state into economic life as a positive agent of the people, while always involving the threat of being carried too far, has in general so strengthened the national economy that Marxism has few to whom it can appeal today on the grounds of economic hopelessness.

These fragmentary quotations indicate the general ideas of De Koster: (1) Adam Smith's free market economy — his capitalism — permitted or caused injustice and evil; (2) however, the reason why capitalism has not collapsed, as Marx predicted, was because something new was added, namely, a "recognition of human needs, human dignity and human moral responsibility to God and man"; (3) that injection into capitalism of a better morality than it originally had was accomplished by curbing free markets and

introducing the state into economic affairs. The state has entered into economic life as a "positive agent" of "the people"; for good, of course!

Laissez-faire capitalism, the original kind of capitalism, is in both of the foregoing quotations rejected as indefensible. *Laissez-faire* capitalism granted too much freedom. That is considered its fatal error. If *laissez-faire* meant *free markets*, then *laissez-faire* must be rejected.

What may be the *origin* of the correction of the weakness of capitalism? And what may be the *means* to accomplish the correction?

The *origin*, as given by these Dutch and American theorists, for the correction of the excessive freedom of capitalism is *Christian principles*. The *means*, or the agency, is the state.

Basically, the paradoxical idea is: *political* man is more trustworthy than economic man. History has shown economic man to be depraved. Marx saw "economic injustice" and ranted against it. Then the Christians through their politicians stepped in; really they are not depraved; they rescued capitalism from too much freedom. Capitalism has thus been saved (1) by the principles of Christianity and (2) by the agency of the state, by *dirigisme*.

Is this remodeled capitalism still capitalism? Or is it really another system? What name should be applied to this "improved" system for society?

III

When the intellectuals in the church accept capitalism, they have one definition; but when they reject capitalism they have another definition. This is a basic violation of Descartes's rules, quoted in the May 1957 issue of PROGRESSIVE CALVINISM. Descartes declared that clear thinking was impossible if basic matters were left undecided. What is more basic than definition of terms?

When the intellectuals accept capitalism they accept it as the opposite of socialism-communism. But after having used capitalism and its idea of freedom generally, and free markets specifically,

as a counter to socialism-communism, they then promptly abandon that very aspect of freedom which was their flag against socialism-communism and instead set out to limit that freedom. Freedom is a good thing to use to oppose communism, but it is a bad thing to use to defend capitalism.

The principles which are presumably involved are no longer *principles* but questions of degree, questions of expediency.

Intellectuals have been unstable and somewhat ill at ease about this matter. Dr. Henry Meeter in a book he wrote several years ago about the social, political and economic thinking in the Netherlands reported that immediately after the war the direction of Calvinist (?-fn) thinking was toward more controls [more *Dirigisme*]. But Meeter at the same time reported that more recently the intellectuals had already begun to retreat from their early post-war position. What more can one expect when principles have deteriorated into expediencies? This obvious situation will, naturally, be disputed. On page 21 of the pamphlet *Overheid en Economisch Leven* it is declared (our translation):

This is not expediency [*beginselloosheid*] but healthy realism, which takes the given situation as the starting point for action.

Not only is the anxiety which this statement manifests (that principles have been sacrificed) founded in fact, but the statement quoted is self-contradictory itself; it admits it decides according to circumstances; *that itself is beginselloosheid*.

De Koster in *All Ye That Labor* is troubled with the same problem. As we have already quoted him, he writes (page 114): "The entrance of the state into economic life as a positive agent of the people, *while always involving the threat of being carried too far*, has in general strengthened the national economy . . ." The italics are ours. This is the popular morality of expediency, not of principles. Who knows what is *too far*?

When morality becomes a matter of degrees — particularly if politicians subject to political pressure are to determine the degree — then what is done will not long remain morality but will become expediency. It is inevitable.

IV

There are several different types of economic structures or economic orders, to wit:

KIND	CHARACTERISTICS		
	Market	Ownership of Capital	Coercion
1. Capitalism	Free	Privately owned	Forbidden
2. Interventionism	Regulated	Privately owned	Restrained legalized coercion
3. Socialism	Regulated	Publicly owned	Unrestricted coercion
4. Communism	Regulated	Publicly owned	Unrestricted coercion; violence
5. Syndicalism (fascism)	Regulated	Capital owned by respective industries	Government as umpire between industries

Which of these five systems do some modern Calvinists favor?

There is much sentiment in favor of (2), with a general drift toward (5). They generally favor (a) regulated markets, (b) private ownership of capital, and (c) restrained legalized controls (coercion). If they follow Abraham Kuyper and his idea of sphere sovereignty (*souvereinitet in eigen kring*) they will *in effect* [by monopolies and cartels] approach the corporate state of Mussolini, known as fascism. The pamphlet *Overheid en Economisch Leven* is rather sympathetic to industry-wide monopolies and cartels — all in the so-called public interest, of course.

But what of *capitalism*, that is, (1) free markets, (2) private ownership of capital (which is certainly more than *stewardship* of capital), and (3) no coercion? If that is capitalism, many Calvinist intellectuals must have none of it.

It of course does them an injustice to say that they want *only* regulated markets. They also want *some* freedom in markets. It is because of that limited degree of freedom that they claim the name of being for capitalism, whereas in fact they are for interventionism.

Their classification is different from the foregoing; it is this:

<u>Theirs</u>	<u>Ours</u>
1. Capitalism (a) <i>Laissez-faire</i> type	1. Capitalism (<i>laissez-faire</i> only)
(b) Interventionism type	2. Interventionism
2. Socialism	3. Socialism
3. Communism	4. Communism
4. Syndicalism or fascism	5. Syndicalism or fascism

In their thinking interventionism is a legitimate sub-classification under capitalism. But they have abandoned capitalism on two counts: (1) they do not trust a *free* market; and (2) they demand coercion beyond the laws in the Second Table of the Law of Moses. They are, therefore, *in principle* no longer capitalists but coercers — interventionists. The reason justifying this statement is that the *one* characteristic of the capitalist system which they have retained, namely, private ownership of capital, becomes progressively nullified and a dead letter by (1) regulation of markets (2) acceptance of the principle of coercion, and (3) by emphasizing the idea of stewardship (according to their apparent meaning of the term).

The intellectuals in the Christian churches who have turned to interventionism — men as Jellema, De Koster and the intellectuals of the Anti-Revolutionary Party — are not capitalists in principles but interventionists. They have abandoned capitalism. They are subverting Christian ethics. They have removed the ancient landmarks.

fn

The Slaughter Of The Pigs

In the first half of the 1930 decade there was a great depression. It was caused by Republican folly; the Republicans had been in power for ten years and continued on in the depression for two years, until 1932. This great depression, initiated by the Republicans, was worsened and lengthened by the policies of the Democrats, who came into office in 1933.

Interventionism, believe it or not, *caused* the great depression, and increased interventionism *aggravated* the great depression. These allegations will need some explaining which we hope to present at a later date. The idea of most people is the reverse; they believe that capitalism caused the depression and that depressions are a hallmark of capitalism and something ineradicably inherent in capitalism. That belief is an error. It is not capitalism (we mean *laissez-faire* capitalism) which has a chronic disease, known as economic depressions; it is instead what is called *interventionist* capitalism which operates as a cancer in genuine capitalism and causes depressions. (But more on this at another time.)

One of the well-known interventionist measures of the new administration in the United States in 1933 was the gigantic slaughter of millions of sows and of little pigs. It happened that at the time we were an employee of a large meat packing company, and occupied a position by which we would have as much to do with this government scheme as anybody in the country and could see what it involved. Imagine standing in the world's greatest stockyard and looking down the long, dusty driveways, crowded with pigs, cute and fat and happy, all jostling their way with piggy squeals and grunts, to their quick death and conversion into animal food and fertilizer. Pathetic in a way. And all the result of interventionism.

The company by which this was being done was the largest slaughterer of these sows and pigs. The slaughtering was on the basis of competitive bidding by the various meat packers. Because of previous unfortunate experiences in business dealings with the United States government, there was a reluctance on the part of

some packers to bid aggressively. We bid competitively and boldly, and consequently got most of the business and did most of the slaughtering.

This program certainly was interventionism. The sows would normally have been kept as breeding stock and the pigs would have been fed to good marketing size, if the government had not *intervened*. This was not the functioning of a "market economy" or a "free market"; this was an interventionist, a "regulated" market.

The ultimate purpose, by the way, of *interventionism is to reduce production*. Or if it is not the purpose to reduce production, *the effect always is to reduce production*. All interventionism impoverishes. Although some gain in production can plausibly be alleged in some phase, when the *whole* case and the *remote* effects of that interventionism are considered, then the effect is to decrease supplies and make the *universal welfareshortage* that afflicts mankind worse. On that count alone all interventionism can properly be accused of being a moral evil.

Imagine a young man, acutely aware of the then current economic distress, seeing these sows and pigs grunting and squealing their way to an untimely end, thereby greatly reducing the supply of foodstuff. It is not necessary to be a sensitive person in order to wonder whether deliberate "destructionism" is a sound and moral policy.

That indeed is what interventionism eventually turns out to be — "destructionism." The sows and pigs are merely a case in point. Today, the form of this "destructionism" may be different — soil banks, union suppression of full production, feather-bedding, etc.

fn

Lester De Koster On Interventionism

All Ye That Labor promotes interventionism. First, it promotes the general theory of interventionism. Finally, near the end it analyzes a specific case, and finds a solution according to the interventionist pattern; see pages 120-123, where De Koster considers agricultural surpluses.

De Koster introduces his case by the sentence:

A practical illustration of a Christian approach to an economic problem presents itself, it seems to me, in that of agricultural surpluses, viewed from a national viewpoint.

Attention should be directed toward the clause "viewed from a national viewpoint." Probably, De Koster wishes to indicate by that phrase a *broad* viewpoint, in contrast to an *individual* viewpoint. Why not go further and view the question from an international or *universal* viewpoint. That was the viewpoint of the Good Samaritan in the famous parable; *every man* was his neighbor.

The idea is important. Economics is not a science which deals with strange and seldom-investigated subjects. Instead it deals with the most commonplace, everyday problems possible. But the basic characteristic of the *science* of economics is that it analyzes things to their *remote* conclusions rather than to their immediate conclusions. Economics asks: what are the *ultimate* consequences *in total* of a specific economic action. It adopts a universal viewpoint. Therefore, economics and ethics must be in perfect harmony. As sound ethics look at every man as being a neighbor, so economics looks at the *total*, eventual result of an action.

De Koster goes on. He says: land, productivity, sunshine, rain, are gifts of God. Also technical skill and intelligence. And so we produce more agricultural goods than we consume, and there is potential overproduction. This is the customary, agonizing anxiety of interventionists, namely, *overproduction*.

Interventionism has three normal stages: (1) coercive charity or philanthropy; (2) restrictionism; (3) destructionism. Charity is usually the first stage, and destructionism, the last. Sometimes, in panic, all three stages are present at the same time. All three stages have a common origin and have behind them a common psychosis — the fear of overproduction or a desire to correct overproduction, real or imagined, of individual products or of products in total.

De Koster criticizes such restrictionism as "crop allotments" and "soil bank." He is still at the first position of Interventionism, namely, coercive charity.* It is only later that interventionists come to step (2), restrictionism, and finally to step (3), destructionism (slaughter of pigs and plowing under of crops).

"Hunger," he says, "stalks the world," and "malnutrition is not unknown in sections of our own land." All true, of course.

Then he brings God in again. Can it be, he asks, that our fertility and intelligence is to go to waste by restrictionism, by soil banks and quota allotments?

Then he accepts the idea that we are our brother's economic keeper, and he brings in the favorite stalking horse of interventionists, stewardship. He writes:

School lunch programs and welfare allotments are a measure of recognition that the gift of productiveness imposes an obligation of stewardship.

The proposition is false. Productiveness does not impose an obligation of stewardship. And the case that De Koster is considering does not support his proposition. He first says that God helped us to produce more than the market needed; we have a surplus; therefore, we should give away the surplus. If the principle is sound, then everybody can go on producing wildly and irresponsibly. Imagine you are a women's shoe manufacturer and you produce too many women's shoes. However, there are millions of women who lack shoes. Why, this is your great opportunity to give them away to Hindu and Chinese women, and South Sea Islanders. This is a wonderful God-given opportunity of *stewardship!*

And this is presumably a *principle*. Errors you make in over-calculating what people need, and consequently overproducing, become a virtue and an opportunity for stewardship! If any idea can be more upside-down with common sense and logic, we could not imagine it.

*Of course, that is a contradiction. No charity can be coercive and still be charity.

When a man produced too many shoes, was that a manifestation of the blessing of God in the form of leather, brass nails, plastic heels and the endowment of intelligence? That is what De Koster really alleges. This is nothing more than the proposition that poor business judgment is an endowment from God and an opportunity.

The error in that idea will become obvious if we go beyond surface phenomena. The surface phenomena are (1) the production of goods on the one hand and (2) a welfareshortage (needs) on the other hand. What did the shoe manufacturer do? He used scarce supplies — raw material and labor — to produce what was not wanted. He was a waster of what is in short supply. All overproduction of any commodity is waste. If the talk about God, and sunshine and rain and intelligence and stewardship are left out, then there is nothing left except poor judgment and the waste of valuable, scarce, raw materials.

The errors of an incompetent businessman should not be corrected by charity (stewardship) but by bankruptcy. The sooner such a waster of leather and labor gets out of the shoe business the better — for everybody concerned. Similarly, in regard to *persistent* agricultural surpluses.

In other words, De Koster is not stating or revealing a moral principle, but hallowing folly and error. fn

(to be continued)

"Law Preached Before Love"

The title of this note is a quotation from page 28 of the June 24, 1957 issue of *Christianity Today*. The first three paragraphs of this article follow:

LAW PREACHED BEFORE LOVE

"Like Wesley, I find that I must preach the law and judgment before I can preach grace and love."

In line with his statement, Dr. Billy Graham devoted practically all of the first two weeks of the New York Crusade at Madison Square Garden to a series of sermons on the Ten Commandments.

"The Ten Commandments," Dr. Graham said, "are the moral laws of God for the conduct of people. Some think they have been revoked. That is not true. Christ taught the law. They are still in effect today. God has not changed. People have changed."

We are in complete agreement with John Wesley and Billy Graham. fn

A Smart Little Girl

A little girl was distressed by the discovery that her brother had set traps to catch birds. Asked what she had done about the matter, she replied, "I prayed that the traps might not catch the birds." "Anything else?" "Yes," she said, "I prayed that God would prevent the birds from getting into the traps." "Anything further?" "Yes, I went out and kicked the traps all to pieces."

That child seems to have mastered the doctrine of the futility of faith without works.

The foregoing is taken from some textmatter on the back of the church bulletin of June 23, 1957 of the First Reformed Presbyterian Church of Chicago at 81st and May Streets.

As faith without works is futile, so any resistance to the theology of the social gospel *unless accompanied by resistance to the ethics of the social gospel* is equally futile. fn

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Upton Sinclair And His Book, THE JUNGLE

When we were young and working for the livestock slaughtering and meat packing industry, our department chief once made mention of an Upton Sinclair, an author, and his book, *The Jungle* (Doubleday, Page & Company, New York, 1906). We have forgotten just what the department chief said. We vaguely remember that he indicated that the book was biased and that Sinclair had misrepresented working conditions in the meat packing industry in order to develop a skillful, but invalid, argument in favor of socialism.

It was said that Sinclair had lived in the meat slaughtering territory in Chicago for a period of time to gather information

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for *The Jungle*. The residential territory around the Chicago stock yards and packing plants has a general name, to wit, "back of the yards." This is a modest residential area, occupied in succession by waves of immigrants from various European countries who had enough to get boat passage to this country, but who were beginning anew "from scratch" in this country, their new home. Obviously, such people would not and could not get or afford the best housing when they first arrived.

Sinclair's book might be expected to have the shortcomings of any book based on the observations of a short-term visitor, just as the book of an American who might make a hurried trip to Europe and then comes back and puts out a book on European conditions; such a book is not likely to be authentic. Sinclair, having a "sociological" and political purpose in writing the book, would because of that be subjected to a further failing, namely, to the temptation of being biased in his selection of evidence in order "to make a case."

We left the slaughtering industry and for years heard little of Sinclair's *The Jungle*. Two years ago we attended a conference of *laissez-faire* liberals at Buck Hill Falls Inn in the Pocono Mountains in Pennsylvania, and a young man attending the conference there indicated that in a course in sociology which he had taken at college *The Jungle* had been required reading. We were surprised to learn that he considered the description of the packing industry in *The Jungle* to be true. We had not read the book ourselves, but the young man's acceptance of it and his general belief in it clashed with the impression we had received from our former employer. We learned from the young man that *The Jungle* is still a widely-read book in courses in sociology in some colleges.

Our young friend declared that Sinclair made out a case against capitalism in this sense: that the employes in the meat packing companies were ground down mercilessly by exploitation, and that the employers lived in conscienceless luxury and idleness. Now that conflicted with our own experience and observation in the meat packing industry. We made an indefinite resolution to describe the "economics" of the meat packing industry sometime, and this issue of PROGRESSIVE CALVINISM is for that purpose. fn

The Story In THE JUNGLE

The main characters in the book are a Lithuanian immigrant named Jurgis Rudkus and his near relatives, who immigrated to this country presumably in 1901 or 1902.

The book begins with a story of the wedding in Packingtown of Rudkus and his sweetheart who had also come to this country. It was a wild and expensive wedding in the tradition of native Lithuania, set off against a background of poverty, anxiety, ignorance and impending disaster.

Then the book "backtracks" and gives the prior history of the various characters — their early life in Lithuania, their immigration difficulties, their hard life in Packingtown.

The main thread in the story is as follows:

1. In Lithuania life had been in some respects hard, but nevertheless wonderful. Healthful, wholesome.
2. Information about the United States had deceived them into coming here. A previous immigrant (who was, however, practically bankrupt in this country) had persuaded them by letters that this was a country in which to get rich.
3. They were cheated, however, by everybody in this country. Consequently, they lived in terrible poverty, and the working conditions in the packinghouses were brutalizing, hope-destroying, and disillusioning.
4. Overwork, bad health and unsanitary conditions, exploitation, unwholesome food, accidents and graft by others kept grinding them down.
5. A foreman in the plant rapes Rudkus's wife, and later she stays out several nights at a house of prostitution, which her forelady at the packinghouse managed. Rudkus beats up the foreman. Justice completely miscarries; the foreman, supported by his company, is exonerated; the wronged husband lands in jail. The family is dispossessed and ejected from its home.

6. The great downward tailspin continues. Rudkus's wife (who was expectant at the time she was first raped by the

foreman and then spent several nights in a house of prostitution) dies in her second and premature confinement. One of the children of Rudkus's widowed mother-in-law dies and the others are demoralized. Finally, Rudkus's only child (son) at the age of two years drowns in the mud in the street in front of the boarding house. Rudkus abandons those who are left.

7. He becomes a tramp, a hobo. He gets away from the terrible factory conditions of great cities. He begs, steals, works, drinks, spends his money on strange women. Then he returns to Chicago for the next winter, but he avoids the survivors in his family. He is again in an accident. Hospitalized. Destitute. One night in the slums he is picked up by the tipsy eighteen-year-old son of a big packer. The young drunk takes Rudkus to the family mansion. He gives Rudkus a \$100 bill which unfortunately again gets him into jail.

8. Then Rudkus gets into politics and becomes influential in electing an alderman for the packinghouse ward. Next he gets an opportunity to return to the packinghouse as a spy of the packers against the unions. He gets big pay, and while a strikebreaker he becomes a foreman. At an unfortunate time when walking down a corridor at night in the packing plant (strangely, with a woman in a kimono whom he has just met) he suddenly meets the foreman who had raped his wife. He again "beats up" the foreman. Mercilessly the wheels of injustice again bear down on him, and he is destitute and hunted.

9. In his jail terms he becomes acquainted with a thief and footpad. They engage in some robberies together. Rudkus learns to know easy money as well as he has known poverty. But misfortune dogs his steps.

10. Begging one night, he recognizes a young woman as one of the acquaintances of his family. She seems prosperous. She gives him the address of the principal young woman left in his own family. This turns out to be the address of a house of prostitution, of which she has become an inmate. Necessity to help support the family is alleged to be the cause of this prostitution. It is accepted as unavoidable and consequently proper.

11. Then all the foregoing reaches its climax. Everything thus far experienced leads to the great intellectual and moral rebirth of Rudkus — to socialism. He becomes a "comrade." The last chapters of the book are devoted to the arguments in favor of socialism.

All the agony in the history of the Rudkus group is because of the "system" in which they find themselves, namely, capitalism. All the hope for the future is in one thing only — socialism. In short, everything in the book is presented to make all the evils in the world appear to be because of capitalism and all of the hope of the world to lie only in the complete abandonment of capitalism, and the adoption of socialism.

Such is the plot of the novel. We have left out the ghastly details.

fn

The Socialist Case Against The Packing Industry

After Jurgis Rudkus had been reborn — that is, after he had been dramatically converted to socialism — he sat up late at night with a Polish immigrant, a socialist, who "explained" the alleged real situation in the meat industry to Rudkus. The Pole's name was Ostrinski. This is the enlightenment that Ostrinski provided to Rudkus:

1. The meat packers were a *beef trust*, a gigantic combination of capital, which

- a. crushed all opposition
- b. violated the laws of the land
- c. preyed on the people
- d. employed corruption in all its methods
- e. bribed city officials
- f. secretly stole municipal water
- g. dominated courts against strikers
- h. forbade the mayor to enforce building ordinances
- i. prevented inspection of meat
- j. falsified government reports

- k. disobeyed rebate laws
- l. burned incriminating evidence
- m. protected its "criminal agents" by sending them out of the country
- n. "forced" cattle prices so low that it destroyed the livestock-growing industry
- o. ruined retail butchers
- p. arbitrarily fixed the price of meat
- q. monopolized refrigerator cars
- r. controlled the leather and grain business of the country
- s. levied "an enormous tribute" upon all poultry, eggs, fruit and vegetables
- t. was reaching out to control railroads, trolley lines, and gas and electric companies.

2. The meat packers operated cruelly and savagely, valuing an employe no more than a hog which they slaughtered. They had no concern whatever about the farmer, the consumer of meat, the retailer, the employe. Ostrinski informs Rudkus that "it was literally the fact that in the methods of the packers a hundred human lives did not balance a penny of profit."

Those "truths" as outlined by Sinclair enlightened Rudkus's mind as "an almost superhuman experience" or revelation. A sober reader will, however, realize that some of these charges are outrageous, for example, that packers would value a penny as worth more than a hundred human lives. A source of information which makes exaggerated statements of that sort, will be accounted by all sensible people as being generally unreliable.

3. The meat packing industry was the "incarnation of blind and insensate Greed. . . . a monster devouring with a thousand mouths, trampling with a thousand hoofs; . . . the Great Butcher . . . the spirit of Capitalism made flesh. . . . a pirate ship . . . [warning] upon civilization." (Pages 376-378.)

But the foregoing "description" of the economics of the meat packing industry was not for it alone. What was "true" in the meat industry was also true for all other industries. Sinclair writes:

1. That prosperity could be unlimited — consider all the land, building, railroads, mines, factories and stores;

2. That the multitude are ground down for the benefit of the few so that they can live in "unthinkable luxury";
3. That injustice generally prevailed because some "owned" the capital;
4. That if the owners would get less (or nothing) everybody else would have more;
5. That government could manage as economically as private citizens;
6. That the people who opposed socialism were fools, who called themselves "individualists";
7. That these "individualists" had been so stunted by capitalism that they no longer knew what freedom was." (Pages 387-388.)

Greed is spelled in the foregoing summary with a capital *G*. Greed is one of the words with a bad meaning. It may mean a very strong desire; but that desire may be moral or it may be immoral. For Sinclair and all socialists "Greed" covers *any* and *every* wish to get a "return" on your possessions, any rent on a house you own, any interest on a sum of money you loan out, any dividends on stock you buy, any profit in a business you operate. All such income is in response to Greed. Greed is immoral. It is exploitation. It is "a system"; the system is in itself bad. It is not merely that bad men abuse the system; even good men could and should not apply the system. It is only socialism which can save mankind. Socialism attacks the capitalist "system" in its roots. It permits no private property, and no income from private property — no rent, no interest, no dividends, no profits. It is the system of Greed — capitalism — which has corrupted men. When mankind abandons and destroys that capitalist system, then under socialism (communism) the Kingdom of Heaven will have descended on earth.

Such is the theme of Sinclair's book, *The Jungle*. It is the religion of socialism.

Sinclair is no philosopher; he does not argue "dialectical materialism" philosophically; he writes a novel in the field of action; he is a "practical" man. He wishes to destroy all return on capital; that is *practical* socialism. When a Lester De Koster writes a book, *All Ye That Labor*, in which he has no logical argument in

defense of the scriptural ownership of property and in favor of unearned income from property over against the Marxian theory in favor of socialism (which denies the morality of *any* return on property), then the problem of the intellectuals in the Christian Reformed church becomes painfully apparent. How can and do they *rationally* defend a return on capital, against the socialist argument that there should be none?

fn

The Inevitability Of Socialism; An Impossibility

Krushchev, present top man in Russia, was recently given television time over the Columbia Broadcasting System. Many people apparently listened to him. We think poorly of the judgment of the Columbia Broadcasting System to have put Krushchev on.

The remark by Krushchev which seems to have impressed his listeners more than anything else is this: the *grandchildren* of present-day citizens of the United States *will all be socialists*.

This is an old Socialist allegation, repeated over and over in the expectation that people will finally believe it. The allegation stems from Marx, who decreed that at the same time that the statement was to be repeated and repeated, no one was to declare exactly what Socialism would be like. The prophecy was that Socialism was inevitable but its exact outline was unforeseeable and unpredictable.

Universal socialism is impossible. *Local* socialism as in Russia and Iron Curtain countries is possible. Why is local socialism possible but universal socialism impossible?

Universal socialism is not possible because *planning* is not possible under universal socialism. One kind of *planning, centralized planning without the help of market prices*, is exactly what Socialism is supposed to be. Nevertheless, if there are no *market prices* anywhere, then all planning is impossible.

Russia can still do some centralized planning. How? Only because it can get clues from market prices outside of the Russian

orbit, from abroad. But if *all* market prices disappear under universal socialism, will planning of any kind be possible? None whatever. The alternate for Capitalism is not universal socialism; the alternate for the universal abandonment of Capitalism is universal chaos. Only limited barter will be possible if there are no market prices.

Market prices are not the prices set by the Socialist idea about *value*, as if value were an objective something in an object, injected into it by a measurable amount of labor. *Value* is a *subjective* phenomena; it cannot be objective. *Value* is what the buyers — the market — will willingly pay for goods. Where the consumer is not sovereign, where markets do not exist as expressed in some common monetary unit, planning cannot exist of any kind except for a primitive, self-contained small community with exchange limited to barter.

It is then possible that the grandchildren of present day Americans will all be socialists, but it is not possible that the whole world will be socialist at the same time. Our grandchildren can all be socialists only if somewhere else in the world somebody else's grandchildren are not socialists and have a *free market* economy. By calculating on the basis of a free foreign market our grandchildren will still be able to be socialists.

The amusing thing about Krushchev's and the other socialist-communists is that they expect to have *universal* socialism-communism. It is exactly that universality of socialism which is impossible.

Sinclair in *The Jungle* repeated the same old Marxian wares about the inevitability of Socialism. He writes:

The inevitability of the revolution [to establish socialism] depended upon this fact, that they had no choice but to unite or be exterminated; this fact, grim and inexorable, depended upon no human will, it was the law of the economic process, . . . (Page 390.)

The theory of Marx and his followers is that society will get poorer and poorer as capitalism develops. In order for men to survive there must be a revolution introducing socialism — otherwise all employes will be exterminated. The premise on which this

is based — that the employes will get poorer and poorer — has been proved, by history, to be false. Poor Marx was a wretched prophet.

The argument that *universal* socialism is impossible because no economic calculation (planning, relating costs to proceeds) is possible when no free markets exist anywhere was first developed by Ludwig von Mises in his famous book on *Socialism*, (Yale University Press, 1951). The argument by Von Mises has never been answered, and it cannot be answered. We refer readers to the book. See also Von Mises's *Human Action*, Yale University Press, 1949, Chapter XXVI, "The Impossibility of Economic Calculation Under Socialism."

We quote briefly from what Von Mises has written in his essay "Trends Can Change" in *The Freeman*, under date of February 12, 1951.

The Marxian dogma of the inevitability of socialism was based on the thesis that capitalism necessarily results in progressive impoverishment of the immense majority of people. All the advantages of technological progress benefit exclusively the small minority of exploiters. The masses are condemned to increasing "misery, oppression, slavery, degradation, exploitation." No action on the part of governments or labor unions can succeed in stopping this evolution. Only socialism, which is bound to come "with the inexorability of a law of nature," will bring salvation by "the expropriation of the few usurpers by the mass of people."

Facts have belied this prognosis no less than all other Marxian forecasts. In the capitalist countries the common man's standard of living is today incomparably higher than it was in the days of Marx. It is simply not true that the fruits of technological improvement are enjoyed exclusively by the capitalists while the laborer, as the Communist Manifesto says, "instead of rising with the progress of industry, sinks deeper and deeper." Not a minority of "rugged individualists," but the masses, are the main consumers of the products turned out by large-scale produc-

tion. Only morons can still cling to the fable that capitalism "is incompetent to assure an existence to its slave within this slavery."

Stop worrying. Our grandchildren will all be socialists *only if elsewhere in the world there are free markets — capitalism.* If the grandchildren of everybody become socialists, then there will be no organized society; everything will be chaos. fn

The Reliability Of Sinclair As A Witness

Capitalism has some grievous faults. There are the faults of the *theory* of capitalism. There are also the faults of the *practice* of capitalism, when it departs from the theory even where the theory is correct.

(PROGRESSIVE CALVINISM does not agree with all aspects of the prevailing *theory* of capitalism, and it knows that actual conduct does not, in this sinful world, conform to theory when theory may be right.)

But capitalism can also be misrepresented and caricatured and burlesqued. Sinclair, unfortunately, does that in *The Jungle*. We give four cases: (1) young Stanislovas who went to work before he was 16 on a falsified statement of his age and who was a couple of years later devoured by rats; (2) the drowning of two-year-old Antanas in the street; (3) the subway railroad built under the loop in Chicago under the pretense of making telephone tunnels; (4) the sale of an 18-year-old house under the pretense that it was new.

1. *The Rats Devoured Stanislovas.* Marija reports the events to Rudkus:

[Stanislovas] was working in an oil factory — at least he was hired by the men to get their beer. He used to carry cans on a long pole; and he'd drink a little out of each can, and one day he drank too much, and fell asleep in a corner, and got locked up in the place all night. When they found him the rats had killed him and eaten him nearly all up. (Page 346.)

It is very melodramatic. There are a lot of big rats in the packing house hide cellars and some other places, but Sinclair is stretching a point here.

2. *The Drowning Of Two-Year-Old Antanas.* Rudkus's son, Antanas, is reported to have drowned in a street two miles south or west of the stockyards in Chicago.

Rudkus comes home from work for the weekend. Women are sitting in the kitchen.

A dead silence had fallen in the room, and he saw that every one was staring at him. "What's the matter?" he exclaimed again.

And then, up in the garret, he heard sounds of wailing, in Marija's voice. He started for the ladder — and Aniele seized him by the arm. "No, no!" she exclaimed. "Don't go up there!"

"What is it?" he shouted.

And the old woman answered him weakly: "It's Antanas. He's dead. He drowned out in the street!" (Page 251.)

On what street south or west of the stockyards could anyone drown?

3. *Tunnels for telephones.* Rudkus gets a job to help build a tunnel for telephones under the downtown loop area in Chicago. Sinclair writes that the city council had passed a bill allowing a company:

... to construct telephone conduits under the city streets; and upon the strength of this, a great corporation had proceeded to tunnel all Chicago with a system of railway freight subways. In the city there was a combination of employers, representing hundreds of millions of capital, and formed for the purpose of crushing the labor unions. The chief union which troubled it was the teamsters'; and when these freight tunnels were completed, connecting all the big factories and stores with the railroad depots, they would have the teamsters' union by the throat. (Page 267.)

Fantastic. Who, possessing judgment, would believe it.

4. *Sale of old houses for new.* Almost immediately on the arrival of the Rudkus family in Chicago they bought a *new* house. The whole story is a melodrama of alleged dishonesty of real estate men and lawyers. An old crone later tells the Rudkuses the alleged facts:

... In the first place as to the house they had bought, it was not new at all, . . . ; it was about fifteen years old, and there was nothing new on it but the paint, which was so bad that it needed to be put on new every year or two . . . (Page 77.)

* * *

Why, since it had been built, no less than four families that their informant could name had tried to buy it and failed [had been dispossessed]. (Page 78.)

Who would believe that a house fifteen years old was a new house and would buy it as such? Three years later Rudkus is himself dispossessed, according to the story. Sinclair declares that the sixth buyer of this house, now eighteen years old, considered it to be new. Rudkus, returning from a jail term, and not knowing of the dispossession, approaches his house. A new family occupies it.

The woman stared at him in frightened wonder, she must have thought she was dealing with a maniac—Jurgis [Rudkus] looked like one. "Your home!" she echoed.

"My home!" he half shrieked. "I lived here, I tell you."

"You must be mistaken," she answered him. "No one ever lived here. This is a new house. They told us so. They —" (Page 210.)

It is with improbabilities as listed — that people do not know an eighteen-year-old building from a new one — that Sinclair makes a case against capitalism and prejudices "the system." fn

Who Is My Neighbor?

A STUDY OF THE MORALITY OF THE ECONOMICS OF THE MEAT PACKING INDUSTRY

The Problem

"Who is my neighbor?"

The scribe in Christ's day asked that question. What his motive was, we have often wondered. Was he honestly inquiring? Was he asking defensively? Was he sarcastic? Was he endeavoring to run Christ into a trap? We do not know, and maybe it is not important.

But whatever his purpose the scribe got an answer — in the famous parable of the Good Samaritan.

The idea in the parable is that *everybody* is a neighbor, and *everybody* must be treated as a neighbor, with love to the neighbor scripturally defined (that is, differently from that of the social gospel or of communism).

Parables have their limitations and that is true also of the parable of the Good Samaritan. It tells two things: (1) *everybody* is a neighbor; and (2) to those who are in emergency — distress, spontaneous help should be shown (charity).

Granted that business must treat *everybody* as a neighbor, it is impossible to run business as a *regular* charity institution. We have covered that subject previously (in the January 1957 issue, pages 5 to 11).

We come then to the moral problem raised by Upton Sinclair in *The Jungle* — what should have been the attitude of the meat packing industry to Jurgis Rudkus and the various members of his family? Rudkus, be it remembered, was an ignorant and poor Lithuanian immigrant. Be it remembered also, that at that time the packing industry was making large profits. On the one hand riches, luxury and alleged leisure; on the other hand poverty, misery and hard and unpleasant labor.

There are potentially four things at issue:

1. Abnormally large profits for business;

2. Modest or normal profits for business;
3. No profits whatever;
4. Perfect equality in all income.

Sinclair favors number 3; he rejects number 4, declaring wages should vary with the unpleasantness of the work.

In *The Jungle*, as a literary device, Sinclair places extreme poverty and need of Rudkus over against abnormally large profits of the packers. He does that by having (1) Rudkus as a beggar in distress meet (2) tipsy eighteen-year-old Freddy Jones (the young son of Jones, the rich meat packer) who is living in idleness and dissipation, while the older Jones is away in Europe.

It is not to be disputed that the meat packers — their real names were Armour, Swift, Cudahy, Morris and others — were at the time (the years 1900-1905) making large profits.

Were those large profits morally defensible? Was the "system" (capitalism) which permitted those large profits a morally defensible system, even when the poverty and misery of certain employes of those meat packers was distressing? Those are the questions to which an answer is given in what follows.

As beside the point, we are not considering modest or ordinary business profits. Nor are we considering sins and crimes in specific cases against the law of God — violence, deception, fraud, theft, adultery — as being part of this problem. We are only considering the "system" of capitalism which on occasion results in very large profits while poverty and misery pathetically exist by its very side.

Who Are The Individuals Involved?

Sinclair points up the issue as we have already mentioned by contrasting a miserable employe, a Rudkus, with a spoiled, irresponsible, drunken son of an immensely wealthy meat packer, called Jones. It looks like the Rudkuses *versus* the Joneses.

But that oversimplifies the problem. The idea is that the Rudkuses are getting too little and the Joneses too much. But there are others involved. Altogether there are the following:

1. The Rudkuses, the *employes* of the meat packing companies;
2. The Joneses, the *owners* of the meat packing companies;
3. The *farmers* and other suppliers of the raw materials of the meat packing companies;
4. The *retailers* of meat who sell it to the final consumers; and
5. The ultimate *consumer* of the meat.

Jones, the packer-owner, in a given circumstance, might appear to be getting too much, but that might be happening at the expense of the farmer, or of the retailer, or of the consumer, and not at the expense of the Rudkuses, employed in the plants. Certainly, it cannot be correct to contrast only the packer and his employe. That is a partial viewpoint, and not a birdseye viewpoint. It does not see the *whole* problem involving the five groups who are all involved. The question is this: How is each of the five to get his *proper share*? How keep the consumer from being unfair to the farmer; or the farmer from being unfair to the consumer? Or the retailer from being unfair to the consumer or the packer? And how keep the employe of the packer from being unfair to the rest?

There is, in the final analysis, the following situation. What does the consumer wish to make available to pay for meat in comparison with his other needs? In other words, how much is he willing to pay to the retailer for meat? The answer to that is what is usually called the consumers' *meat dollar*. That meat dollar must be divided between (1) the retailer; he must get something for his services; (2) the packer; he must get something too; (3) the packinghouse employe; he, too, must live; and (4) the farmer and other suppliers (of boxes, freight, etc.) also must find it worthwhile or they will not produce livestock any more for slaughter, nor other necessary supplies.

A little reflection will show that Sinclair does not pose the problem so that it can be seen in perspective; he contrasts only the

packers and their employes. What has not been stated correctly as a problem has small chance of being solved correctly.

Coercion Versus Noncoercion

The answers to the problems as posed can in general characterize be only one of either of two kinds: (1) the division between the five groups will be made *without coercion*; or (2) the division will be made *with coercion*. Either these five groups will all act *freely*, or some one or more of the groups will get more than their share *by coercion*, at the expense of one or more of the others.

Here are two examples of coercion.

The packers may organize a "trust," a mutual agreement, to hold down the price of livestock, to raise the price to retailers, or to hold down the laborers' pay. That is a monopoly. It is coercion. It is evil. It destroys competition. There is nothing sacred about competition, except that its effect is to limit and destroy monopoly, that is, coercion.

Another example of coercion is a union with a closed shop contract. It strikes. It prevents any slaughtering, processing or distributing of meat until it gets the pay it demands. It gets it. The extra that the employes get by coercion comes out of the packers, the consumers, the retailers, the farmers. Somebody else *must* foot the bill.

Trusts (business monopolies) and closed shops (labor monopolies) are merely two different forms of coercion.

What we have outlined that the packers can do, or the employes, can also be done by the action of farmers or retailers. They too can organize monopolistically and consequently coercively. (However, for a technical reason it is less easy for them to do so.)

In PROGRESSIVE CALVINISM we happen to be convinced that a society based on coercion is contrary to the commandments of God. (Also that it is harmful and impoverishing for society as a whole.) We believe that the problems, in this case, between consumer, retailer, packer, employe and farmer should be settled *without coercion* between them. (Coercion is forbidden in the Sixth Commandment in the Mosaic decalogue: to wit, Thou shalt not kill (coerce, engage in violence).)

The rule of coercion should be universal or the rule of non-coercion should be universal. Everybody should be permitted to exercise coercion, or nobody should. What is sauce for the goose, should be sauce for the gander. Scripture teaches noncoercion. Moses, after he died, was described as the meekest man of his generation. He denied the right of coercion (except to prevent evil). Christ, in his day, similarly taught meekness and noncoercion. Some businessmen, some unions (including some so-called Christian), some theologians (especially social gospel theologians—those who teach *agape*), and all interventionists, socialists and communists teach coercion. Some of them even declare that coercion is the essence of Christianity. Their reasoning is a case of an end justifying a means; coercion is to be permitted in order to promote their unscriptural idea of *agape* (love).

Coercion By Men Versus Coercion By Circumstances

We have been referring to coercion by men, not coercion by circumstances.

There is a universal *welfareshortage*. (See PROGRESSIVE CALVINISM, July 1956, pp. 209-219.) Moses taught it in Genesis. The New Testament takes it for granted and teaches it in its own way. Every person of maturity, judgment and self-knowledge knows that in this finite world there is a universal welfareshortage. That welfareshortage "coerces" us all. It make us choose between limited satisfactions and disutilities. If we select one thing, we must forego another. Buy your wife a fur coat and something else must come out of your family budget.

Whether there is a necessary and unavoidable welfareshortage may be disputed. The socialists, for one, dispute it. Sinclair in *The Jungle* indicates that *with one hour's work a day* we can live as in paradise, provided we have a socialist economic structure for society. This is not the place to argue the point. If the socialists are right about it, then Moses was stupidly wrong.

In this analysis, which is limited to a specific problem, we cannot digress further on the question of the welfareshortage, and the universal coercion of men by it. Our question is: If there is no coercion between the consumer of meat, the retailer, the meat

packer, the employe of the meat packer, and the farmer, how much then should and will each one get? — what will be the free (un-coerced by people) retail price of meat? (2) the wholesale price? (3) the profit of the packer? (4) the wage of his employe? and (5) the price of livestock for the farmer?

The Economics Of Meat Packing

Sinclair in his *The Jungle* indicates that the meat packers were getting too much of the consumers' meat dollar. The packers are alleged to have been lolling in luxury. Maybe the farmer too was prosperous, and the consumer, and the retailer, but the employes, the Rudkuses, were not doing well at all. Therefore, apparently this is Sinclair's reasoning, the alleged excess to the packers was coming out of the flesh and blood of their employes.

What had been happening to create these large profits? Further, how long were they to last?

Let us answer the last question first. The large profits were rapidly coming to an end. It was, in fact, almost the end of an era — an era of the epoch-making contribution of the meat packing industry to the welfare of society. But with the end of the special contribution it was inevitable that there would be an end to the extraordinary profits. Today meat packing is one of the least profitable industries in America. It is a stale industry. Gone is its glamour. Who is shouting now about meat packing profits? Profits are so low that the stock market quotations on the stocks of some the largest packers are modest fractions of what the books show has been invested in the companies. We lack space for the statistics. We refer readers to the published financial statements of the largest packers. Whoever knows how to analyze financial reports will realize that the meat packing industry is no bonanza at the present time.

But why the large profits around the turn of the century, around 1900?

A gigantic technical revolution had taken place in the meat business. This resulted from new methods of refrigeration and especially from the shipping of dressed meat in refrigerated cars, which were a novelty.

The previous situation had been: (1) livestock was produced in surplus in the great middle west farm area; (2) the animals were shipped alive to the eastern seaboard; (3) eastern local butcher-retailers bought them, slaughtered, processed and sold the meat. What were the economics — the costs — of this process?

It was expensive to ship *live* animals long distances. The local butcher-retailers in the East had "high costs" because there could be little division of labor in their operations and no real mass production methods. *In short, costs were high.* Who paid for it? Two groups: (1) the consumer in the form of high priced meat; and (2) the farmer in the form of receiving low livestock prices.

Then refrigeration, especially the refrigerator car, was developed. What happened? First, live animals did not need to be shipped to the eastern seaboard, shrinking in weight during shipment, requiring feed en route, and a waste of freight (a large part of the weight of the animals being eventual waste materials, by-products not usable by a small slaughter-retailer). Secondly, large numbers of animals could under the new situation be concentrated and killed at one location, permitting extensive division of labor, lower costs generally, and the utilization of all by-products. The net result was that, in meat costs between the consumer and the farmer, there was an enormous reduction in costs. Who would get the benefit of the reduction? The consumer, the retailer, the packer, the employe, the farmer?

The answer is:

1. The consumer and the farmer both gained immediately, modestly at first, but steadily more and more, and permanently.
2. The eastern slaughter-retailer lost ground at once and was injured immediately and permanently.
3. The packinghouse employe was hardly injured or benefited. He was affected only in a very minor way.
4. The big slaughterers and meat packers who developed in Chicago, Kansas City, Omaha and elsewhere, had a *temporary* extraordinarily large profit which was hardly accomplished before it began to shrink gradually and permanently to a modest level.

Why did these big and rich packers come into existence? *Because their costs were lower* they were able to pay more for livestock than eastern slaughter-retailers, thereby helping the farmer; and they were able to sell meat cheaper than the eastern slaughter-retailers, thereby helping the consumer. They did both. If they had not done so, the farmers would have sold their livestock as *aforetime*, and the consumers would have bought from the small eastern slaughter-retailers as *aforetime*. The market was *free*; there was *no coercion*. The farmers sold livestock to the highest buyers; the consumers bought meat from the cheapest sellers. The highest livestock buyers and the cheapest meat sellers were the newcomers, the new mass meat packers in Chicago and elsewhere. They got the business. At this juncture the only groups hurt were the eastern slaughter-retailers and the railroads (which received less freight).

To have protected the eastern slaughter-retailers against the farmers, consumers and packers would have been *coercion* to protect a high-cost producer who had become through no fault of his own hurtful to society generally, *under the changed circumstances*.

Let us now consider the small eastern slaughter-retailer as out of the picture, with only four claimants left — the consumer, the farmer, the packer and the packer's employe. The key individual in this group was the packer. *He* was the one who was cutting costs. But he could get no benefit from that, unless he shared some of it with others. He had to raise the price of the livestock or he would not get it, and he had to lower meat prices or his refrigerated meats would not sell against the fresh local kill in the East. He therefore surrendered as much to the consumer and farmer as was absolutely necessary to get the increased volume he wanted (and on which his profit was large because his costs were less.) He hogged as much of the profit as he could.

Was that right?

The answer to that question is that it was unqualifiedly right.

What was needed to develop fully this new low cost method for the meat industry? A huge investment in slaughtering houses,

pickle cellars, smoke houses, refineries, railroad cars, branches, inventories, accounts receivable and in ready cash. Where were the funds to come from to buy land, build plants and operate a huge business?

In a broad way, from only two sources — outside investors or profits generated within the business.

Let us first assume small profits or no profits. Would outside investors then put in any money to expand the meat packing business? They would refuse. A large, experienced investor would say that he would not invest in a low-profit, new, and consequently speculative industry. A small investor would say to himself the same thing; that new meat packing method is not profitable; therefore, it is not safe; it is no place for *my* money.

If, to the contrary, profits were large, then outside investors, both large and small, would be willing investors. But the *condition* just mentioned, must be met, namely, the business must already be making a lot of money. Therefore, in order to be able to expand rapidly, a new industry — an industry which is cutting costs — must absolutely have high profits. It must first generate high profits itself. Those should be (and will be) largely reinvested in the growing business. The high earnings plus the reinvestment of those earnings make outside investors confident. They are then willing to put in some of their own money.

But if there are no large profits, there will not be a large investment. If there is no large investment, the industry will not grow. If it will not grow society will not be able to benefit. The reduction in society's cost of living cannot be accomplished without large new investment, and the large new investment will not be made unless there are large profits.

A word about an argument that a thoughtless person might advance. Why make the huge investment in plants and branches and railroad cars? Why not forget it? Let us keep life simple as Gandhi wanted it! Everybody have his own little compound, his hut, his own loin cloth. The idea may appear romantic and idyllic. But unless there are huge aggregations of capital, the standard of living cannot improve. In the United States the sole reason for a

high standard of living is because there is a large amount of capital *per capita*.

Who "calls the signals" in an industry as described? Those who initiate the reduction in costs. And the ball is in their hands. They are running with it. The rest of the team generally prospers with them, but the investors have the initiative. It should be theirs. They are the ones who are making the changes. They only fully understand them and they only can guide them.

Do they *seize* the power? No, it is given to them. The meat consumers, the producers of the livestock, and the investors all want those who are cutting costs to have what they are getting, because it helps all of them. When they are no longer helped they will — in a noncoercive society — immediately withdraw their assistance and cooperation. In a free market, in a noncoercive society, the only people who become rich (besides those who inherit wealth) are those who produce great services, *in the estimation of their fellows*.

The Poor Worker In An Expanding Industry

But what of the *poor and miserable* laborer in an expanding and highly profitable industry? For example, how about the wretched Jurgis Rudkuses in Sinclair's *The Jungle*? Grant that Sinclair exaggerated the condition in Chicago in the area known as "Back of the Yards"; the fact still remains that the workers were not "well off."

Let us begin with an extreme proposition, namely, *all* the benefit from the reduction in costs by the new methods, *all* of it should have gone to the hard-pressed individual workers in the meat packing industry.

To this proposition the answer is that if all had been attempted to be given or to be seized by the workers, or if any charitably minded person had wished to transfer all the benefit to the workers, then there would have been no cost-cutting, price-reducing meat packing industry, with all its general benefits. That industry just would not have come into existence. There would have been nothing to divide. The goose that could lay the golden eggs was killed before she laid them.

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The unions today, under uninformed secular and so-called Christian leadership, often demand that *all* the benefits of mechanization and improvement in technology go to the worker in that industry. The proposition is suicidal and unscriptural. It will not work as just outlined, and it violates the basic idea in the parable of the Good Samaritan, which says that *all* men are our neighbors.

Let us assume that *all* the benefits from the improved technology in the meat packing industry had been paid out *in increased rates of pay to the laborers already employed*. Who would then get no benefits? The farmer would not. The consumer would not. No investor would. Wages would be terrifically high in the meat packing industry. *But nobody else could or would benefit.* The benefits of the new technology would *be for only a limited group of employes.* *All* men would not be benefited; only the few. This violates the principal that *all* men are neighbors equally.

What would be the consequences of the alternative non-coercive wage policy, namely, the policy of paying (1) only the going wage plus (2) as much premium as was necessary to draw workers from industries which were paying less. The consequences would be: (1) employes in the lowest paid industries would move into the new industry which was paying more; there would be more employment at the higher wages and less employment at the lower wages; other workers besides those already in the meat packing industry would benefit; (2) in the second place, *everybody* in a special sense, namely *all consumers*, would benefit in the form of the lower prices for meat.

We would have then, by a noncoercive, nonunion employment situation, a much more general, universal distribution of benefits. In contrast, a restrictive, grasping wage policy in specific industries prevents the benefits of progress from being diffused throughout society. A noncoercive policy is in effect brotherly, neighborly, beneficent, diffusing benefits as widely and nondiscriminatingly as sunshine and rain from heaven. A coercive policy is in effect unbrotherly, nonneighborly, harmful, selfishly restricting benefits. As Scripture says, "He that soweth sparingly shall reap also sparingly; and he that soweth bountifully shall reap also bountifully" (II Corinthians 9:6).

The policy just outlined may appear unfeeling and cruel. It is not. Others beside those we see right next to us need help. Our "charity" should extend beyond the man directly beside us. As a perfect example, reason through what happened in Rudkus's case. He lived in Lithuania. His poverty there was worse than "back of the yards." The millions who have immigrated to the United States have not come to a land that offered them less, but more. It is false to declare or imply the contrary.

What if the thought arises that too many Rudkuses came? Of course, if fewer had come, wages would have risen faster. That is undoubtedly true; but it is also true that *fewer wage earners would have benefited. The most widely diffused benefit has come to the most by the policy which was followed by the free market.*

Here is the basic principle: the laboring man who is wise — and who follows scriptural principles — will not demand that more of the benefits from technological advances in *his* industry go to him than is necessary to raise wages in that industry enough above the average for society so that the needed additional workers have an inducement to quit their present lower-paid employment and transfer to this higher-paying industry.

The Beneficiaries Of Capitalism

Another argument hostile to a free market must be considered. It is the most persistent, never-to-be-downed argument. It is the argument based on covetousness, namely, the rich (we assume they got their riches by noncoercion) are still too rich; they live in idleness and in excessive luxury.

That may be and is true to some extent, but not entirely. The man who builds a fortune is almost always a terribly hard worker. His wife at home may sometimes be one who lives in ease and demands luxuries. The future generations may not work hard, although some second, third and fourth generations do not fail to equal their forebear.

But no man will work currently for nothing. If there is no carrot before him the rabbit will not run in the race. Similarly, if

there is no reward, men will not work. The idea that men who build big businesses and are already rich will continue to work if there is no reward for their continued effort is unrealistic; they will not. Society will lose their services.

Nor do the rich spend as much as people think. Can a rich man eat six meals a day; or sit in two chairs at once; or does he carry five watches; or does he wear two pairs of shoes at the same time? But whatever one may think of what the rich do spend, they will not work if they get no current reward for it; nor will anybody else work hard to become rich, because he sees that there is no eventual benefit from it. If there is no continuous reward, everybody will become slack in his efforts. Society will — it can be declared with absolute certainty — become pathetically poor.

Wherein All Men Are Alike

Behind all free effort is a want, a need, a wish which needs to be satisfied. The benefit may not be for self; but the motivation is each man's own motivation; it is not his neighbor's motivation; it is not a bureaucrat's coercion; it is not the demands of a group of people; for men to put their "whole might" into work it must be for their own motivation, not another's.

Legitimate selfishness (pursuit of own values) is the mainspring for a good society.

Every man is entitled to the pursuit of his own individual values. Not only is he entitled to it, everybody else benefits from it. In a *free market* the benefits are diffused. In a coercive market the benefits are not diffused.

The Evaporation Of Rewards

Solomon said, ". . . riches certainly make themselves wings" (Proverbs 23:5b). He knew what he was talking about.

Is prosperity permanent? Never. Did the meat packing business remain spectacularly prosperous? It did not. It has become progressively less prosperous through the twentieth century. Today meat packing is one of the least prosperous industries in the country. It was inevitable. In a free economy capital (investments)

move invariably into a prosperous industry until the return in that industry is only average. If too much new investment moves in, the return on capital in that industry will become less than average. High profits last only as long as great new services continue and much new capital is still needed. When the great services end, the additional new capital is no longer needed. Profits then drop to 3 or 4% on the investment. You can almost as well buy some "perfectly safe" bonds. The yield will be about the same.

The Basic Socialist Argument

Finally, we have only the socialist's argument to deal with. He will say to us: Granted that profits have a tendency to return to normal, *there should still be no profit at all; all profit is exploitation.*

The answer to that problem is an altogether different one from the foregoing. We presently lack the space. Furthermore, we are hopefully waiting for some Calvinist intellectual to give us the rational answer to that allegation of the socialists. (We continue in our disappointment that Calvinist savants have not seemingly been able to answer the basic socialist argument developed by Rodbertus, Marx, Lassalle and other socialists. It will be strange if in the 100 years since Marx the Calvinists do not yet know how to answer the socialists *rationally and logically.*)

fn

"The Yankee Of The Yards"

If a man reads Sinclair's *The Jungle*, he ought also to read *The Yankee of the Yards*, a biography of Gustavus Franklin Swift, written by his oldest son, Louis F. Swift, in collaboration with Arthur Van Vlissingen, Jr. (A. W. Shaw Company, Chicago, 1927). This gives the history of the meat packing industry from the viewpoint of the son of the founder of the largest meat packing company in the world. This is a story of hard work, thrift, sobriety, sound judgment, courage, resourcefulness.

If readers will read this book, they will discover that what Sinclair calls *Greed* with a capital *G*, is described in *The Yankee of the Yards* as *economy* and as *hatred of waste*. The impression

people get of some action is greatly influenced by the words used to describe it. This man Swift acted a certain way from motives of economy and unhappiness about waste, according to his son. But Sinclair, in his book, says that the sole reason why Swift and his fellow packers operated as they did was from motives of greed.

We have never worked for Swift & Company but we were once a "godchild" to an early career man in Swift & Company. He told us many anecdotes from his personal knowledge and memory.

The Swift family was a large one. Perishable meat, of course, had to be shipped practically every day of the week, including Sunday, if there was to be meat regularly available on the Eastern seaboard. Our informant told us that on Sunday afternoon *all* the qualified members of the Swift family went over to the packinghouse to make out invoices and other papers in connection with shipments to go out on Sunday night trains.

At another time old Gustavus Swift was going down the aisle to his office. He passed the desk of my "godfather" and accidentally kicked over the wastepaper basket. Out of it rolled some scrap paper and a short stub of pencil. Old man Swift grabbed the pencil and held it up and roared like a bull: "Who is wasting my pencils" — obviously referring to this executive who was probably the highest-placed executive in the business outside of members of the family.

I indicated my surprise at the unreasonableness of Gustavus Swift, a big packer, complaining about a pencil stub, and creating a fuss with the intent of humiliating one of his executives. I expressed myself critically, and naturally expected my godfather, the victim of this exhibitionism of old Gustavus Swift, to agree with me. But he did not.

"On no," he said; "old Gustavus was entirely right about that. Every *little* saving made a big difference. The company had 30,000 employes. If everyone wasted part of a pencil, it would amount to a lot of money. Small savings multiplied by a lot of instances run into big sums. Old Gustavus thoroughly understood that principle. Thirty thousand employes each wasting two cents worth of a five cent pencil would be wasting \$600."

It was on thinking of that kind — about *economies* — and not so much personal greed that the great packing companies were developed.

The last survivor of the early packers is Thomas E. Wilson. He was originally, we believe, a "car chaser" in the yards for Morris & Company. The job was to round up "lost" Morris refrigerator cars from the miles and miles of railroad tracks and bring them into use. While doing that modest and uninteresting job Wilson noticed a lot of scrap or junk laying around. He suggested that it be collected and sold. It was done and some \$3,000 was realized. *That* attention to economy brought Wilson, a humble employe, to the attention of the Morrisses, the owners of the business, and they began promoting him rapidly, eventually to vice-president. Later, bankers chose Wilson to be the head of a company in difficulties. Wilson changed the name of the company to *Wilson & Company*.

It is slander to describe the men who made the packing industry great and famous as cruel scoundrels motivated solely by personal greed.

If it is argued that each packer should have "looked out" for each of his 30,000 or so employes, how could he? It is beyond any man's abilities or prerogatives. Some of those 30,000 became prosperous; others were just so-so economically; others, by circumstance or through some folly of their own, sank into misery. No individual man can look after 30,000 people or families. It is conscienceless arrogance to pretend it. If a man had one hundred brothers, sisters, cousins and second-cousins, would he "look after" all of the hundred? We have yet to find the man who did or intends to do it. How then could an employer be expected to "look after" 30,000?

A large community necessarily becomes impersonal and the members of it become anonymous to each other. We are reminded that one of the criticisms of the Puritan attitude toward the Industrial Revolution was that the Puritans accepted an impersonal ethics — they relied on the *impersonal* free market, rather than on sentimental or blood ties.

Many of the people who object to a *free market* society really wish society to return to a primitive, tribal structure. They cry for

what is not to be recovered again — a past not half so good as the present. They are sentimentalists rather than rationalists. They want a personally fraternal and a paternalistic market society. fn

Proposed Contents Of Future Issues

As a crossbreed ethico-economic publication, PROGRESSIVE CALVINISM covers now ethics, now economics; individual issues will vary a great deal.

One of the economic subjects which we propose to cover in some detail soon is: What is capital? or what is the nature of capital?

Another subject is the question: *Why* are some societies not prosperous? What makes for a high standard of living?

Related to the subject just mentioned is the question why our grandparents and great-grandparents were generally less prosperous than we are? Are we more prosperous because we live under better laws? Are people generally more prosperous because the rich now get less? Do they, in fact, get less, or do they get an even bigger proportion than they formerly got? Do we have more prosperity because the gold standard for money has been abandoned? Do we have more prosperity because we have labor unions? Russia undoubtedly has more natural resources than has the United States; is prosperity the result of the possession of great natural resources? What has made and makes the United States uniquely prosperous? Why is the United States more prosperous than the Netherlands?

What has birth rate to do with prosperity? Are there too many people in the world? Is there an "iron law of wages" grinding down the poor? What about the questions related to the restriction of the birth rate, birth control, etc.?

Further, we plan to write piecemeal (and probably ineffectively and clumsily) the planks which belong in an economico-political platform reconcilable and consistent with the primitive religious ideas we hold which are practically identical with historic Calvinism — the Calvinism of the sixteenth and seventeenth centuries. fn

A Reader Writes About Selfishness

A reader writes to us:

I regret that in your last issue of PROGRESSIVE CALVINISM you have used the word "selfishness." So far as I know selfishness has only a bad meaning. There are other aspects of self concern that do not have a bad meaning such as: self-restraint, self-respect, self-concern. But selfishness has distinctly a bad meaning — and so far as I know, only a bad meaning.

Our correspondent is sufficiently right so that we can hardly disagree with him. But a writer may also believe that there is some merit in what he was trying to say, although he may have the uneasy feeling that he has not presented his ideas at all adequately. That is our thought in regard to our use of the term *selfishness*.

To help clarify our ideas on *selfishness* we add the following, as a supplementary explanation.

Selfishness can mean:

1. Sin — either (a) violation of the Second Table of the Law; or (b) unwillingness to show charity as required by Scripture.
2. Bad manners — pursuing one's own wishes to a degree and in a manner which makes one unpopular with others.

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3. The claim to liberty — the claim to the right to pursue one's own values: (a) for self-regarding interests, or (b) for non-self-regarding interests, but in any event one's own peculiar, individual values.

We are not defending *selfishness* when it means sin or bad manners.

We defend selfishness against the statement or implication of many people that each man's actions should be governed by the wishes, demands or commands of other men or groups of men, as if a man were unselfish only when he puts the wishes of others ahead of his own. On the basis of this false definition of selfishness, a man is unselfish only when he abandons his own liberty, his own personal values.

Are there really any people in the world who define liberty (as distinguished from sin and bad manners) as selfishness? The world and the churches are full of them. They are the people who deny the right to sovereign freedom of individual choice, the people who condemn the right to discriminate. They say: to discriminate is sin; because to discriminate is to act on your own values; to act on your own values is to be selfish; you are not entitled to that liberty.

We are for liberty, which means nothing to us without our having sovereign freedom of choice. And freedom of choice must be based on *one's own values*, not on the values superimposed by others, individually or collectively. fn

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Comparing Calvinist And Social Gospel Ethics

PROGRESSIVE CALVINISM is a publication in the field of ethics, and naturally it has an interest in the question whether Calvinist ethics and social gospel ethics are identical, or if not identical whether they are reconcilable. We therefore make inquiry about anything that may have been published by a Calvinist, *comparing* Calvinist ethics with social gospel ethics, or *contrasting* Calvinist ethics with social gospel ethics.

Any reader who can inform us of anything published not only by a Calvinist but also by a social gospeller outlining the

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harmony or disharmony between the two ethics (Calvinist and social gospel) will be of substantial assistance to us and we shall appreciate hearing from him.

We do not limit this inquiry to the United States, but extend it to England, the Continent and everywhere else.

Do Calvinist ethics and social gospel ethics compare or differ?

fn

Repetition Of Reward Offered

In the June 1957 issue of PROGRESSIVE CALVINISM, page 162, we informed readers that we were interested in the *logical* argument of Calvinists against the doctrine of Karl Marx and other socialist-communists in regard to the *private* ownership of property and what goes along with it, namely, unearned income.

Rodbertus, Marx, Lassalle and other socialist-communists really put the "axe to the tree" as far as Christian ethics are concerned. They developed what they consider a logical argument against any man having property of his own or any unearned income from it—rent, interest, dividends, profits.

There had been, up to the time of the socialist-communists mentioned, a "logical" argument (or rather arguments) in favor of private ownership and unearned income. They were arguments which everybody accepted, including businessmen, the churches, philosophers and all the rest. The socialists did a good job showing that those "logical" arguments in favor of private ownership of capital and income on that capital had a palpable error or errors in them. They showed that the old "logic" defending capitalism was wrong.

Having pretty well liquidated the arguments in favor of capitalism and the traditional Christian viewpoint that it was moral to own capital privately, they came up with their own solution to the relations of men to men, namely, *only* public or communal ownership of property, and *no unearned income to anybody*.

Has that socialist-communist argument ever been answered logically by a Calvinist? If so, we would like to know about it, and shall be glad to pay \$100 for the information.

fn

Christian Ethics Versus A "Higher" Doctrine

Christianity, historically speaking, in the field of ethics has taught the following.

1. *Love* means (1) not to harm the neighbor and (2) to allow him liberty. Consider Romans 13:10 by the Apostle Paul which defines *love* in its basic sense: "Love worketh *no ill to the neighbor*" (our italics). In this expression, the full sweep of the Mosaic Law in its negative aspects (which the Apostle Paul had previously summarized in paragraph nine) is perfectly expressed. The corollary to this negative formulation of the law is that the neighbor is entitled to his liberty; another man may not coerce him. Consider what Paul wrote elsewhere about liberty.

Unfortunately, defining the law *only* in terms of not harming the neighbor and in terms of liberty leaves three bad "open spots." Over the succeeding fourteen centuries after Moses these "open spots" played havoc with the law of Moses.

2. The first open spot was that, as defined, namely, Love worketh *no ill to the neighbor*, it was interpreted to cover only *initial* action; that is, *my* conduct when I first meet my neighbor; I might not in that circumstance *on my own initiative*, injure him, "work him *ill*." But suppose he injures me! What then? The law of Moses was interpreted by those who came after him to mean: if a neighbor first injures me, I am no longer under obligation "to work him *no ill*"; *then* I can avenge myself. Fourteen centuries after Moses, Christ corrected this interpretation. In the Sermon on the Mount Christ declared that you still must not "work ill to the neighbor" if he first injures you. Christ merely made the law of Moses cover a man's conduct *after* he had been injured by another as well as *before* he has been injured by another. The Sermon on the Mount teaches the corrective that was needed; we must be *forbearing and forgiving*. That is part of the law.

3. The second open spot that is left by Paul's formulation of the law, Love worketh *no ill to the neighbor*, is what can happen although you do not injure the neighbor when you meet him, and he does not injure you either. It could be argued then that everything is perfect and nothing more is required. However,

that lacks realism. The character of creation (the cosmology of the world) is that the "sun shines and the rain falls on the good and the evil," that is, the natural forces of the world are not differentiated in their consequences. When a hurricane hits Jones, or a drouth makes Brown poor, or when ideal weather makes Smith rich, or when Johnson is a highly-talented person—all these things in the "natural world" can help or injure a person. We can respond to such situations by shrugging our shoulders and saying, I have not injured my neighbor and I admit he has not injured me, and I can see that he is in trouble but that is *his* problem; let him worry about it and solve it. That attitude will not do. We owe help to our neighbors when they are in genuine emergencies. We must show what Scripture defines as *charity*. That must be part of the Mosaic Law of Love. The Samaritan who "fell among thieves" must be helped. Of course, a Samaritan not in such or similar predicament does not need to be helped. Scripture has specified a standard measure of required charity—a tithe, a tenth. Some may consider the percentage too high or too low, but that is the standard percentage given. Probably the percentage is inappropriate under certain circumstances; in catastrophies it is probably too low; if the government has undertaken progressive taxation and also the functions of a so-called "welfare state," the percentage is probably too high.

4. There is a third open spot in the definition of love when it is summarized as Love worketh no ill to the neighbor, namely, it undertakes no responsibility to help the neighbor "get his thinking straight." If a neighbor is injuring himself by un-sound ideas, it is inexcusable to let him plunge himself into ruin without warning him. Machiavelli somewhere tells of a king who was on a ruinous course. Kings do not always like to be reprimanded or corrected and their courtiers know that. This king had a counsellor who fully realized the folly of the course the king was following, but the man said nothing. Eventually, one day out in the field the consequences of the king's folly became evident to the king himself, and he began talking out loud of the colossal mistake he had made. Then the timid counsellor was unwise enough to speak up and agree with the king's conclusion; the counsellor indicated that he had known all along that the king was horribly wrong. The king asked him: "You knew all this

time that I was making a mistake, and you did not warn me?" The counsellor, boasting about his foresight, admitted just that. The king then calmly instructed his bodyguard to take the counsellor out and execute him. That ought to be done to all of us who (1) do the neighbor no ill; (2) are forbearing and forgiving; (3) show charity, *but* (4) do not endeavor to warn and assist a neighbor by straightening out his thinking (without coercing him). This last "open spot" is known among Christians as "preaching the gospel." As sometimes defined it does not mean *generally* helping the neighbor in his thinking, but helping the neighbor *only in his thinking about a future life after death*. In some mission enterprises the gospel is practically limited to that. There is a faction in the Christian Reformed church which declares that the church as a *church* should restrict its activities to helping men *only* in the field of religion. Anything outside of that specific field is considered to be outside the field of the church. Practical brotherly love does not end with correcting the thinking of another *only* in regard to heaven and hell but not regarding other matters in life.*

* * *

The foregoing scriptural definition of neighborly love is *revolutionarily* different from that given by the social gospel, or as incorporated in the practical programs of some "Calvinists" as, for example, the planks in the political platform of the Anti-Revolutionary Party in the Netherlands.

What does the social gospel do with the doctrine of neighborly love? It does not teach the Biblical doctrine of neighborly love outlined in the foregoing? It teaches love as being *agape*, one of the Greek words for love; it gives to *agape* a special meaning which requires much more than that which was outlined in the foregoing; it teaches the fantastic, sanctimonious doctrine that we are our "brother's keeper." We are told that we must, as if we had the power and love of God himself, take care of our neighbor far better than God in His providence undertook to do. We are, according to this spurious religion, to out-do God.

*We are not here defining the whole idea of salvation by grace. The great content of that idea will be well known to many of our readers. The definition given in the foregoing emphasizes certain aspects of every man's obligation to be a good neighbor in *this* life, in all its *practical* aspects.

In the foregoing comment our emphasis is on the *ethical* part of the *Biblical* gospel. The *ethical* part of the *social* gospel is not reconcilable with the ethics which we have just outlined. We ask this question: Where in publications circulating in the Christian Reformed church is an ethical (social) doctrine taught which is unqualifiedly different from, hostile to and irreconcilable with the *social* part of the social gospel?

We are against the ethics of the social gospel in the *unorthodox* churches, and we are equally against the ethics of the social gospel when they are taught in the *orthodox* churches, in which in fact the *ethics* of the social gospel are more prevalent than are the true ethics of the scriptural gospel. fn

(Note: For a much more extensive treatment of neighborly love, see Volume I of PROGRESSIVE CALVINISM pages 28 to 144.)

Freedom Is Not Possible Except Under Laissez-Faire Capitalism

Capitalism is the economic system which is based on the *private* ownership of capital, especially the private ownership of what are known as the "means of production"—land, factories, stores, warehouses, machinery, transportation facilities, etc.

Freedom cannot continue to exist except under capitalism. Freedom cannot continue to exist under either socialism (communism) or under interventionism. The reason for this will not be obvious to all readers, at least it was not obvious to us for a long time.

Assume socialism exists. Nobody then owns private property, at least not factories, machinery, and other "means of production." Under that system neither you nor I will be owning a printing press. The government will own all printing presses, all magazines, all newspapers, and will own every means available for publishing all news. Nobody can as an individual, publish any printed matter. Everything is printed "by the government" because the government owns all the printing plants.

Suppose someone wishes to criticize an act of the existing socialist government. Will the socialist government permit him

to use *its* presses to spread criticism of what the government is doing? There is as much prospect of the government permitting you to use its presses to criticize the government as there is prospect that it will permit you to use its Internal Revenue Bureau to lower your taxes. The government controls the Internal Revenue Bureau, and that means that you do not control it, and that you cannot use the Internal Revenue Bureau against the government. Similarly, it is silly to believe that the bureaucrats running all the printing plants of the country (they are the *planners*, you know) will be willing to give you the printing facilities of the country in order to criticize the government or its "plans." The "plans" of the bureaucrats under socialism-communism do not include your criticisms, nor do those "plans" provide for assisting you to criticize and interfere with *their* plans..

Of course, the foregoing does not prove that liberty is not possible under socialism-communism. It only proves that freedom of the press is not possible under socialism-communism. The problem shifts then to this form: Is liberty possible if there is no freedom of the press?

The answer is *No*.

We are all creatures of what we read and hear. Will Rogers once declared humorously that the only thing he knew was what he had read in the newspapers. But in a real sense that is true of all of us. If a government controls all the avenues of news, can suppress this, can emphasize that, and if nobody is authorized to tell about the "other side" of various issues, what chance is there of anyone retaining real *independence* of judgment. Everybody's judgment under those circumstances will really be controlled by the people who control what does or does not come to our attention. Our minds will be fed by the government as young birds are fed by whatever their parents bring them. Young birds in a nest have no choice what worms they are going to eat; neither do the citizens of a government which is socialist-communist, which owns all printing presses and all other methods of communication.

But our position is stronger; we declare that "Freedom is not possible *except under capitalism*." By capitalism we mean *laissez-faire capitalism* and not interventionism (*dirigisme*). Readers

will remember that we dissent from the idea that interventionism is a subgroup under capitalism (see June 1957 issue, p. 165ff.). Capitalism is not really of two kinds—free market (*laissez faire*) capitalism, or interventionist capitalism. That is the method of classification which interventionists seek to establish. They wish to be known as capitalists, but only as *interventionist* capitalists. However, the principles of interventionism are not reconcilable with capitalism and interventionism will not permit the continuance of freedom; only free-market (*laissez-faire*) capitalism will.

To declare a government may intervene—interfere, meddle—in an otherwise free market—and that is exactly what interventionism does—is to declare a principle that the government may also interfere with the freedom of the press. The case is not so direct nor the effect so obvious, nor prompt, nor severe as when a government *owns* the presses. But anyone who espouses the principle that a government may at its pleasure *intervene* in the ownership of capital and the activities pertaining to capital automatically espouses the principle that sooner or later, openly or secretly, directly or indirectly, the government can interfere with any criticism of governmental or nongovernmental activities. It may not at once send the police over to your printing plant. But you may be harassed on taxes. Or you may find your reporters do not get passports easily in order to be foreign correspondents. Government news which is given to "favorable" newspapers is not given so early to you. You may get less police protection in a labor strike. If on the other hand you are hand-in-glove with the interventionist government in power, your path is easy: everybody knows you "stand well." People solicit you for help in the government departments; because you can help them, they cater to you and you have profit from that. You hear of "deals" by means of which money can be made; you learn early when contracts are to be let. Your reporters get favorable and special treatment over all the rest, or at least compared with reporters working for critical newspapers. Can news any longer be reliable, under the circumstances?

Consider Washington, D. C. Suppose you wished to put out a critical, anti-administration newspaper in Washington. Would there be much prospect of success? It may be doubted. Washington is largely occupied by bureaucrats. Would they be willing to

subscribe to a paper critical of their conduct of affairs? To ask the question is to have the answer. In great bureaucratic centers a free, a really *free*, press is more or less out of the question. If such a news agency does not have many local subscriptions, it cannot get the local advertising.

Some of the leading columnists in the country constantly have inside and early information. How do they usually get it? They play footsie with the bureaucrats in Washington. They do not report unfavorable matters about those persons in the bureaucracy who can be and are their special sources of information. As a reward they get advance inside information. Thus they can become "*famous*" columnists. But the foundation on which this is built is unsound. It is a combination in which the columnist helps protect and promote the bureaucrat, and the bureaucrat gives special favors to the columnist.

This has already gone so far in the United States that few newspapers in this country are still really free—*independent* in their selection, reporting and interpreting of the news. (As an illustration of an exception the *Chicago Tribune* may be mentioned. Those who have long read it, generally accept it. But someone who has been accustomed to reading a Washington or a New York newspaper will usually be astonished and angry when he reads the *Chicago Tribune*. Such readers have been so "conditioned" by newspapers no longer really independent because of expanding interventionism, that they cannot accept a different viewpoint.)

It is amusing—and tragic—to see how the European papers and citizens naively accept the slant given by the New York and Washington papers as being "the truth" for affairs in this country, not realizing that they are not getting an *objective* picture of the facts hardly better than if those papers were basically government owned.

Of course there is still considerable independence left *legally*. But that does not guarantee that there is much independence left *actually*. A free press is not necessarily *free* when it is merely legally free, or when it *thinks* it is still free even though the principle source of its information is a single, potentially menacing source, namely the government.

In exact proportion as interventionism expands, the press will continue to lose its *real* (as distinguished from its *legal*) freedom. When affairs are concentrated more in Washington than ever before, all newspapers of the country will be proportionately more dependent on the bureaucrats in Washington. Obviously, the course for the typical newspaper to follow will be to curry favor from the bureaucrats in order to get news and favors.

We are reminded of a remark we have heard about the great New York bankers. They were once relatively independent. But in the great changes that followed the depression in the early 1930s, their source of profit and direction shifted significantly to Washington. The big bankers knew on which side their bread was buttered and that bureaucrats and not the free market were piping the tune. Washington was henceforth to be much more important for them. And they turned to Washington as consistently as a sunflower plant turns to the sun.

Similarly, newspapers today generally turn to Washington with equal submission and tractability. They are no longer today a *reliable* source of information simply because they too are heavily dependent on favors from Washington, Washington having the power because it has become interventionist.

Why Are People Poor?

The Question Or Problem

Why are people poor?

We might ask the question differently, namely, why does not everybody have everything that he wants? But in that form the question does not sound so challenging and so harsh. It appears desirable to retain the question as we have asked it: Why are people *poor*?

Most of the people of the world *are* poor. Consider the Russians and their satellite peoples; consider the Negroes in Africa; consider the Hindus and the Chinese. We have mentioned the serious and prominent cases.

"Poverty" exists even in America. Consider a young man 27 years old with a wife and two children. He may have "nothing." If something goes wrong, he will be "up against it." In a sense, nearly all young people are poor. The young are the "have-nots." In some respects the "social question," the question at issue between socialism and capitalism, is an issue between young people and old people; most of the world's capital is owned by people who are middle-aged or old.

When we ask why are so many people genuinely poor, and why does everybody have a shortage of something, we can blame:

1. God, if we believe He exists;
2. The *natural* world as it exists, ignoring God as its Creator; that is, we blame Providence or "Nature";
3. Our fellow men, individually and collectively;
4. Ourselves;
5. The system under which men endeavor to cooperate, something that is given a name such as capitalism or socialism.

God, Providence, others, ourselves, or the "system" must be the cause individually or collectively as to why people are tragically poor. Which of these shall we blame?

God As The Reason Why People Are Poor

In deference to God we might eliminate Him from the list of those potentially responsible. He is declared in Scripture to have made the world "good." But the first man, Adam, representing the whole human race, is said to have sinned promptly and by that sin to have dislocated the whole natural order so that now nature is unfriendly, unresponsive, niggardly, harsh, cruel.

We do not believe that that is the correct view of "nature"—something made good by God but damaged by man.

Indeed, it is clear that Scripture declares, "Cursed is the ground for thy sake" (Genesis 3:17). But that curse has, according to the same Scripture, been cancelled; in Genesis 8:21b and 22 we read (God speaking):

... I will not again curse the ground anymore for man's sake, for that the imagination of man's heart is evil from his youth; neither will I again smite any more every thing living as I have done. While the earth remaineth, seedtime and harvest, and cold and heat, and summer and winter, and day and night shall not cease.

The teaching is plain that the earth is no longer "cursed" for man's sins. Those sins are alleged to continue, but at the same time it is said: "I will not again curse the ground anymore for man's sake." The implication is that the *natural* (nonhuman) world will be a good place in which to live, that is, it will be viewed as a good place in which to live, if it is viewed correctly; or more accurately, if it is viewed as God is alleged to see it. The laws of nature are declared to be stabilized and trustworthy and *not* cursed. Holding naively to Scripture, as we do, we begin with the premise that God expects us to consider this *present* world to be a good world in regard to its natural (nonhuman) characteristics.

Does it then follow, because the natural world is good or at least no longer cursed, that poverty is not caused by God, as the creator of the universe?

Although it is true that the original natural world was described as "good"; although there was at least a specific curse on Adam's sin; although there was a general lifting after the Flood of any curse that existed; and although the world is now very habitable—does that give a guarantee to any man against poverty? Did God undertake, by his original creation or by lifting a curse from it, to guarantee every man everything he needed—that is, that nobody could or would suffer poverty?

It is unrealistic to look at nature and man in that way. It is really equivalent to saying that man never needed to do anything for his own existence, because the moment that it is admitted that it must be necessary to do *some* work, the question of the amount of work, or the intensity of work, cannot be escaped.

Adam, we are told, was placed in the Euphrates valley, which has as good river bottom land as the world has anywhere. He is said to have been placed in a "garden of Eden" which had many good food-bearing trees. But before he had ever sinned he was

put to work. He was supposed to "dress the trees." Maybe he worked, as Upton Sinclair says it will be necessary to work under socialism, for *only one hour a day*.

But suppose that there had been no sin. Suppose that Adam and his descendants had then fully populated the Garden of Eden? Suppose that some of his descendants were forced to move out for space reasons. Where would they go? They could go east into the Persian Gulf and drown; they could go south into the dreary wastes of the Arabian Desert and starve; they could go north and west into higher and rougher terrain and finally into the mountains. Every mile they moved away, the fertility of the land and the circumstances favorable for easy living would be reduced. We ask: even if Adam and Eve could get along in the "Garden of Eden" on one hour's labor when they had no children to support, (1) how many hours labor might he have had to work to support eight children under working age; (2) would Eve have had to work only one hour a day when she had eight small children; (3) were women only and not men destined to work more than one hour a day; (4) as their descendants moved to less fertile terrain, how many hours a day would they have had to work? Only *one*?

Farming conditions certainly have an effect on how much labor a man must put forth to earn his subsistence. Good land, good weather, good seed, good implements can make farming reasonably easy, but those conditions did not in our opinion all exist everywhere in the world when man was created. It is our belief that the world was then as varied as it is now; some land was good, some was bad; some climate was good, some was bad; some species of crops were good, others were poor; and in the beginning man had no tools—no *capital*—whatever. Such very probably being the case, the world if it had become populated by sinless people just could not be a place with no work, nor even easy and limited work, nor identical ease (or severity) of work everywhere. A mental reconstruction of conditions in those days can bring one to only one conclusion, namely, man was not born only to live and to die, but he was also born to *work*. The most imaginative human mind existing cannot logically construct a utopian world that was so "good" that there would be no necessity for painful and sustained work.

We regret to note that it is possible for people to have a combination of naive ideas, not one of which appears reasonable and which collectively gives a wholly erroneous view of how the natural world is put together. This combination, which we consider substantially unrealistic, is as follows: (1) God made the world "good" in the sense that the whole world was a "Garden of Eden," a paradise; (2) Adam did not have to do real or genuinely hard work before he "fell"; (3) that work before he fell was pure pleasure, and never pain, and never had to be severe or prolonged and wearying; (4) that if Adam had never "fallen" he nor his descendants could possibly have had any economic problems; everything would be available in bountiful quantities despite the number of people on this finite world; (5) that it would have been impossible for the population to have increased so that there was over-population, and that consequently there could have never been any poverty, for the reason that there were too many people per square mile.

We would strike out every one of the foregoing propositions as unacceptable. (We are not here talking about the adverse effect of man's sins on the existence of poverty and the necessity of work. Sin undoubtedly aggravated the problem, and made it much worse.)

But the idea that the necessity for painful work, and the existence of poverty would have been completely impossible if Adam had not sinned is an *infralapsarian* view.* It assumes an extreme utopian view of the original natural order. The *supralapsarian* view removes the difficulty; it says: God created the world so that the natural order was fitted to a finite, short-lived and sinful man. From the beginning of human existence it was about as it is now.

How, in fact, does Scripture generally view the natural order? In a terrified manner? In a whimpering, whining manner? Does it describe the natural order as evil, cruel or unfair?

What must always be considered to be astonishing is the cheerful, favorable and confident manner in which Scripture views "nature."

*In regard to *infralapsarianism* and *supralapsarianism* see May 1957 issue of *PROGRESSIVE CALVINISM*, pages 142 ff.

The *wild* aspects of nature are not interpreted as being terrifying and menacing and evil, but as circumstances justifying awe toward the Creator of such events.

The *favorable* aspects of nature are joyfully and gratefully admitted: "The earth is the Lord's and the fulness thereof." Psalm after psalm, prophet after prophet, poets and singers all join in praise of the goodness of God in *nature*.

It was, we have concluded, a necessity for the writers in Scripture to view nature in that light. It would have been a gross inconsistency to view God as a personal and beneficent Being, daily governing the universe, but nevertheless having made the earth a *bad* place in which to live. The inconsistency would have been glaring.

We come then to these conclusions. God made a world in which poverty was a possibility if not a probability. He made the world, too, to have characteristics which would probably require sustained and painful labor by man. Further, God did not originally create a miraculous world, which suddenly and stunningly changed into a bad environment after Adam fell; our world today is substantially the same kind of world that Adam first knew. If those ideas point to God as *one* of the causes why men must work hard, we are not disturbed by that. Why should we be? Scripture declares that God himself works continuously and momentarily sustains all things. If God is active, why should not man be required to be active?

The fact is that the human mind cannot construct a consistent picture of any kind of a world other than the one we know. All utopian constructions develop absurdities which make them irrational.

It is a mistake for the Christian religion to engage in fanciful constructions of the natural world before Adam fell. To do so alienates many people from being willing to hear the rest of the Hebrew-Christian view of life. Man, finite of mind and body, will do well to refuse to make any utopian constructions of the world before Adam fell. Scripture makes none; why should we?

The foregoing conclusion is a moderate one which Christians will generally find acceptable. An important conclusion which must

be reached goes further. That conclusion is that Adam as created was himself poor; he had to be poor, and was both before and after the Fall; that his immediate descendants, Fall or no Fall, had to be poor and were. *As created, neither man nor his descendants could be comfortable nor free of poverty.*

It is therefore, necessary to pose the question: How may it be known that God made Adam abjectly poor; and how may it be known that Adam had to work hard?

What Is The Character Of Any Primitive Society?

Eighty years ago the writer's mother's father and kin moved from central Wisconsin to northwestern Iowa. Northwestern Iowa was then a practically trackless prairie; only two farmhouses stood on a nine mile road between two straggling, frontier towns. As far as the eye could see there was an endless rolling prairie, of which the sod had never been turned by a plow.

The way to look at the state of Iowa is that it is misnamed. It is, from a *farming standpoint*, the paradise of the world, and might be named not Iowa, but Paradise. There is some reason to believe that neither the Euphrates nor Nile valleys equals Iowa in productivity nor favorableness for making a living (except that the Iowa winters are colder).

When the first immigrants came into northwestern Iowa, a potential agricultural paradise, did they have a wonderfully easy existence? Was there no poverty, and was no painful or sustained work necessary? What are the facts?

The first house that these particular settlers lived in was a sod hut. It does not sound comfortable. The first fuel that they used in order to keep warm was dried cow dung. It does not sound like ideal fuel.

Anybody motoring through Iowa today will marvel at the beautiful fields, the good roads, the handsome farm places, the pleasant towns. Iowa is today a much better place in which to live than it was 80 years ago. Why is Iowa today a so much better place to live than it was three-quarters of a century ago? Those who ascribe unfavorable *natural* conditions to sin and favorable

natural conditions to virtue will have to have recourse to the absurd idea that the unfavorable conditions in Iowa 80 years ago were because of sin, and the favorable conditions today are because of virtue and the general disappearance of sin. It is ridiculous.

Granting that the inhabitants in Iowa live better today than their ancestors did 80 years ago, what were conditions during the time between the first settlers and the present occupants? The condition was one of *steady improvement*. The new settlers did not live long in a sod hut, nor long burn cow dung for fuel. After some time they built a frame house and burned coal. They bought machinery; fenced their fields, etc. There are obvious conclusions from all this: (1) a new community is *always poor*; (2) it almost immediately gets better; (3) eventually it may be very good.

That is exactly, we believe, what happened in Adam's case, except that his position was worse. The new settlers in Iowa in the nineteenth century at least were not naked. They had clothes. They had a carload of livestock and implements.

Bare nature no matter how good, and bare man no matter how perfect, do not add up to prosperity. They add up, generally, to urgent wants, the necessity of hard labor, and a meagre income, in short, poverty. The sum of man and nature, both in the raw, no matter how favorable nature may be or how strong the muscles of man may be, is a very small sum. Thank God we now have more than the sum of those two things.

Iowa did not give its early settlers prosperity. The Garden of Eden did not give Adam an "abundant life." Natural resources *alone* have never made any one rich. The muscles and brains of men applied directly to the acquisition of consumption goods, have *never* made man comfortable and much less rich. To be a pioneer, a newcomer, is to be poor.

Now that is the way God made man, according to Moses; naked, poor, inexperienced, unsafe. Adam should, in fact, be compared to the Indians who were still in northwestern Iowa in the 1860's and 1870's. The new settlers were tillers of the soil and herdsmen. That is a big advance over roaming bands of Indians. The Indians tilled nothing. They were only hunters and fishers. They had to roam because they merely consumed what nature

naturally produced. They did not help nature to increase its productivity in any significant way by tilling, planting and harvesting crops, or tending livestock. Adam was at the very lowest level, a berry and apple picker. He roamed from tree to tree and bush to bush, as Indians moved from territory to territory, to obtain buffalo meat or from creek to creek to get fish. In fact, Adam's position was worse than that of the American Indian.

In regard to Adam what are the propositions in harmony with both Scripture and common sense?

Proposition	Answers
1. Adam was	$\left\{ \begin{array}{l} \text{rich} \\ \text{poor} \end{array} \right.$
2. Adam was	$\left\{ \begin{array}{l} \text{informed} \\ \text{ignorant} \end{array} \right.$
3. Adam was	$\left\{ \begin{array}{l} \text{intelligent} \\ \text{unintelligent} \end{array} \right.$
4. Adam had	$\left\{ \begin{array}{l} \text{to work hard} \\ \text{easy work} \end{array} \right.$
5. The Garden of Eden was	$\left\{ \begin{array}{ll} \text{a favorable place to survive} & \text{Yes} \\ \text{not a favorable place to survive} & \text{No} \end{array} \right.$
6. Adam knew clearly all morality and all the commandments	<i>Not specified in Genesis</i>

(According to Genesis, he was *told* of one commandment at the beginning, namely, that he was not to steal, God reserving title (ownership) of one tree in the Garden of Eden.)

As an intelligent creature Adam, although ignorant, had a colossal problem relative to the rest of the natural world around him. That "world" of animals and plants was not a *rational* world. The animals were not rational and did not "cooperate" together but preyed on each other. If man was to be different, he would have to operate by different laws than lions or rabbits or cows. One of those different laws was individual possession of things under certain conditions. Man was told what was the most obvious requirement he should comply with, namely, private ownership of things, and about the first thing he did was to flout the instruction, even when under no compulsion to do so, because it is

explicitly indicated that the human food supply in the Garden of Eden was ample for two persons. It is as if Adam deliberately said to himself: Maybe there is more than enough to eat but I will take anything I covet and want. I do not intend to let anyone else have something for himself only. I am bound by no law. I shall do what I please. If anyone else has something, I will take it if it pleases me to do so.

The Absence Of Capital

God created Adam poor because God omitted something from Creation. God created a great and wonderful natural world and a highly intelligent human being with brawn, powers of observation and reasoning, but an essential ingredient God left out, if man was to be prosperous and not poor. The ingredient that God left out was "capital."

In what follows we propose to show that when God did not create "capital" He destined man to (at least *temporary*) poverty and to hard work.

In the sense of the following explanation, God is the original cause of men being poor and being destined to sustained and even painful labor.

The question is: what is *capital* in the sense of the word as it is here used?

fn

What Is The Character Of "Capital," Something Which God Did Not Create?

The bluntness with which we have described how poor Adam was when he was created, and the reason we have given for Adam's pre-Fall poverty, namely, that God did not create "capital" but only *nature* and *man*, is justified because it will arouse interest in what "capital" is—the something which was a great omission from creation.

The use of the word *omission* is not intended to imply that God made a mistake in not creating "capital." "Capital," it will

be discovered from what follows, by its very definition was something not created. Man had to work before there could be "capital." And man had to be poor until he had developed some "capital."

Our proposition is that God made (1) nature and (2) men (these two alone and without the help of capital) such that they were and are unable to provide men with comfort, luxuries or high earthly prosperity.

The word "capital" has many meanings. Capital may be "social capital"; it may be "acquisitive capital." Further, capital may include land and other natural phenomena, as iron ore and other natural resources. We are by-passing those definitions.

We are using here the term *capital* in its narrower economic sense as the "produced means of production." This term will obviously exclude virgin land which is not *produced* by man, even though such land be as fertile as the deltas of the Euphrates and the Nile, or as fertile as the rolling plains of Iowa. *Produced* means fabricated by *man*. What is fabricated by man was not created by God. That is why no disrespect to God can remotely be inferred from the statement that God "failed" to create capital, or that God "omitted" capital from his creation.

Furthermore, capital as here defined, namely, the "produced means of production" excludes consumption goods (as a sandwich) already in consumers' possession and destined immediately to disappear or lose their existence. The "means of production" refers to *something useful for producing more goods*.

How can we make clear how important such capital, that is, the "produced means of production," can be for reducing work eventually? We believe this can be done best by quoting the greatest economist of the preceding generation, the Austrian economist and statesman, Eugen von Böhm-Bawerk (1851-1914). We quote from his *Positive Theory of Capital*, originally published in German and of which the following is an as yet unpublished translation:

A farmer needs and desires drinking water. There is a spring at some distance from his house. In order

to meet his requirements he may follow any one of several procedures. He may go to the spring and drink from his cupped hands. That is the most direct way. Satisfaction is the immediate consequence of his expenditure of labor. But it is inconvenient for our farmer must travel the distance to the spring as often during the day as he feels thirsty. Moreover it is inadequate, for this method never enables him to gather and store any considerable quantity such as is required for a variety of purposes. Then there is a second possibility. The farmer can hollow out a section of log, fashioning it into a bucket, and in it he can carry a full day's supply of water to his house all at once. The advantage is obvious, but to gain it he must go a considerable distance on a roundabout course. It takes a whole day's carving to hollow out the pail; to do the carving it is necessary first to fell a tree; to do the felling he must first procure or make himself an axe, and so forth. Finally, there is a third possibility for our farmer. Instead of felling one tree, he fells a number of them, hollows out the trunks of all of them, constructs a pipe line from them, and through it conducts an abundant stream of spring water right to his house. Clearly, the roundabout road from expenditure of labor to attainment of water has become considerably longer, but to make up for it, the road has led to a far more successful result. Now our farmer is entirely relieved of the task of plying his weary way from house to spring, burdened with the heavy bucket, and yet he has at all times a copious supply of absolutely fresh water right in the house.

Here is another example. I need quarried stone to build a dwelling, and a nearby cliffside offers stone of excellent quality. But how am I to get hold of some? The first method is to tug and pull with my bare hands until I break off whatever can be loosened by that method. It is the most direct way, but also the least productive. A second method is for me to attempt to procure some iron, fashion a chisel and a hammer and to belabor the hard rock with them. That is a roundabout road, but one which, as everyone knows, leads to a considerably better

result. Then there is a third way. I get hold of some iron, make a hammer and chisel, but use them only to drive holes into the cliffside. I next devote my efforts to procuring charcoal, sulphur and saltpeter and then to mixing gunpowder. Thereupon I pour the powder into the holes I bored before, and the ensuing explosion splits the rock. This is a still more roundabout road, but one which experience has shown to be at least as far superior to the second as the second is to the first.

* * *

The lesson to be drawn from . . . these examples is quite clear. It is to the effect that roundabout methods are more fruitful than direct methods in the production of consumers' goods. And as a matter of fact, this greater fruitfulness manifests itself in two ways. Whenever a consumers' good can be produced either by direct or by indirect methods, superiority of the latter is demonstrated by the fact that the indirect method either turns out a greater quantity of product with the same quantity of labor or the same quantity of product with a smaller quantity of labor. In addition, the superiority appears in the fact that some consumers' goods cannot be produced at all, except by indirect methods. Here we might say the indirect is so much the better way that it is often the only way!

What is the *capital* in the foregoing illustrations? In the water-supply situation the *capital* is (1) the axe and the bucket; or (2) the axe and the wooden trough or pipes. In the second illustration *capital* is (1) the chisel and hammer; or (2) the boring equipment and the gunpowder.

Capital, as the term is here used, is not a natural product in its native state, as *created*. It is a natural thing as altered and utilized by man, man in turn using his brain and his brawn. What really happens is excellently described by Böhm-Bawerk:

It has already been stated that the origin of material goods [capital] is completely subject to the laws of nature. No material good can come into being unless

some conjunction of materials and forces is present which, through the operation of natural laws, leads to the inevitable consequence that exactly such and such a conformation of matter shall achieve existence. Regarded as a physical phenomenon, the formation of every good is a purely natural process. But not from man's point of view. For he has reason to emphasize one difference which, from the purely physical point of view, is nonexistent. One great class of useful forms of matter comes into existence without intervention on the part of man. From man's teleological [purposeful] viewpoint they constitute the fortuitous product of favorable conjunctions of matter with forces of nature. Examples are offered by fertile islands which form in the course of a river, by grass that grows on natural pasture land, by the berries and trees that grow in the forest, by natural deposits of valuable mineral ore. But even though pure chance does much for man, it fails by a wide margin to do enough. Nature, left to herself, behaves on a large scale in a manner that is comparable on a small scale to that of a person who, wishing to produce a definite mosaic pattern, were not to compose it deliberately, but were, instead, to keep on whirling 1,000 bits of colored stone at random in a kaleidoscope and then to wait until by chance the desired pattern emerged. In the infinitude of ways in which the active materials and forces may combine there are in both instances, untold possible associations but very few favorable ones. And in the untrammelled course of events those few occur too rarely for man, who is forced to rely on their eventuation for the satisfaction of his wants, to be content quietly to await those combinations. He therefore injects his own consciously purposeful efforts into the natural process and makes them a factor in it. He begins to *produce* the goods he needs.

What do we mean by *produce*? To create goods is of course not to bring into being materials that never existed before, and it is therefore not creation in the true sense of the word. It is only a conversion of indestructible

matter into more advantageous forms, and it can never be anything else. That truth has already been stated so often, that it might seem entirely unnecessary to revert to it here. There is more justification for the statement so often heard, that man, in producing goods, "controls" the forces of nature and "guides" them along lines advantageous to himself. But that statement, too is open to misinterpretation. It would be completely erroneous if it were made with the idea of conveying the thought that man could in any given instance substitute his sovereign will for such laws of nature as would otherwise apply. Whether or not the lord of creation [that is in this context, *man*] would have it so, not an atom of matter will, even for the tiniest moment, be induced by his powers to deviate a hair's breadth from the course which the unbreakable laws of nature prescribe. Man is cast in a far more modest rôle. Being himself a part of the natural world, he plays his part by combining his own natural forces with the nonpersonal forces of nature. And he does this in such manner that the collaboration of the united forces must, in conformity with natural laws, inevitably lead to a definite desired conformation of matter. The origination of goods thus remains a purely natural process, despite man's intervention. Man does not alter that process. He merely guides it to its consummation. He possesses the knowledge and ability skillfully to inject his own natural powers in such a way as to fill in the gaps which had previously existed in the chain of naturally requisite conditions on which the production of a good depends.

If we observe more closely how man assists the natural processes, we shall find that his sole but completely adequate activity lies in spatial control of matter. *The ability to move matter* is the key to all man's success in production, to all his mastery over nature and her forces. The simple explanation is that those forces reside in matter. By virtue of his physical powers man has the capacity to influence the place where that matter shall be, and he therefore also controls the place where its natural

powers shall be exercised. In general, that is tantamount to the capacity to dictate how and when they are to function. I say *how* a natural power shall function. Of course I concede that a one-pound weight functions no differently whether it is used as a paperweight on my desk, as the weight on a scale beam, or to hold down the safety valve of a steam engine. It merely exerts unceasingly the gravitational force with which its mass is endowed. But for the very reason that the manifestation of a given natural force is always the same, it is possible to have it function in various combinations and thus achieve extraordinarily varied results. Thus by adding an equal to an unequal quantity, we can at each new addition get a different result. Just so does the one-pound weight, which of itself always functions in exactly the same manner, serve differently in the different surroundings to which we transfer it. Thus in one case it pins a stack of papers to my desk, in another it indicates the weight of an object, in still another it regulates the steam pressure in a machine.

I also said *when* a natural power shall function. But this proposition too, must not be taken too literally. It is not to be interpreted as meaning that the forces of nature function intermittently and that through man's influence they are at times held in complete abeyance and at other times may be caused to resume their previous activity. The contrary is the case. The forces of nature are constantly in action, and to speak of an inactive natural force would be to record a contradiction in terms. But it is possible to effect a combination of several forces which will induce a temporary reciprocal obstruction of their functioning, so that the practical result is quiescence or, if not complete rest, merely so small a degree of activity that for man's purposes it may be ignored. This situation can be such that before any effective result can occur which affects man's interests there must be some very decided change in the combination of matter and forces. This suggests how man acquires control over the temporal point at which a given result appears. He need merely avail himself of his capacity for spatial transfer of matter

with sufficient skill to assemble, by way of preparation, the causative factors of the desired result *with one exception*. Just so long as that is missing, the conditions on which the desired effect depends remain unfulfilled, and the effect cannot, for the time being, ensue. Now at the proper moment he brings his last partial or contributing cause into place, the delayed activity is suddenly released, and the desired effect is garnered at the appropriate time.

In this manner the huntsman of old providentially introduced powder and ball into the barrel of his rifle, he supplied a percussion cap and drew back the hammer. Each one of these objects possessed powers peculiar to itself and had done so for a long time. The powder had for a long time harbored the molecular energy which would later eject the bullet from the rifle barrel. The barrel exercised then, just as it would later, its qualities of cohesion and resistance. The spring which would ultimately cause the hammer to make its forceful impact had long been driving and pushing toward release. But as yet the arrangement of the assembled forces was such that the result of their reciprocal influences was quiescence. There was then a slight pressure on the trigger, a gentle displacement of the combination, and at the moment when the huntsman had the fleeing quarry in his sights the gun went off.

The reflections which yield us some enlightenment concerning the sort of mastery that man enjoys over nature can also permit us some conclusions as to the extent and the narrow limits of that mastery. It is true, as we have seen, that man does have a certain power to set the forces of nature to work where, when and as he will. But that power is his only to the extent that he can control the material substance in which those forces reside. Now the bulk of that matter is often enormous, and consequently the mass of inert resistance to be overcome before any benefit can be derived, is frequently prodigious. At the same time the physical strength at man's disposal is of

only modest proportions, and indeed, often by comparison puny indeed. Conversely the matter to be dealt with is often too delicate for our clumsy hands to manipulate. How frequently do our purposes demand infinitely delicate adjustments of immeasurably minute particles and how awkward then is the "fistful of thumbs" that is asked to deal with molecules and atoms! How hopelessly incapable is the human hand of reproducing even one of those miraculously delicate cellular tissues, which nature conjures forth each day in myriad profusion in every flower and leaf! And so we are doubly inadequate. Our strength is not great enough to deal with the masses it should conquer, it is too gross for the fine texture of the materials we should handle dexterously.

Under these circumstances our capacity for production would be in sorry plight indeed, were it not for some very potent allies standing at the back of that two-fold weakness. One of those allies is the human intellect. The mind has the ability to discover the causal relationship of things, and thus it can gain a clear understanding of the natural conditions and stipulations on which the origination of the desired goods depends. It is thus enabled to perceive where human force can be advantageously applied, and where not. And it teaches man therefore, to avoid fruitless expenditure of energy and to choose the most profitable lines of effort. And thus the human power it commands resembles a small but well-directed army which makes up through mobility, fine cohesiveness and energetic exploitation of its opportunities for what it lacks in numbers.

A second ally, a mighty help in the contest with nature, is *nature* herself. Scant and pitiful indeed would be our potentiality in the field of production, if we could not succeed in finding helpers among the powers of nature themselves, and thus to enlist forces in the camp of the enemy and to turn them against the natural forces that we have to overcome. However, this touches a point that is too significant in general, and too important for the

subject of our own research in particular, for me to be content with mere cursory mention of it.

Capital is the result of a combination of the *powers* in nature and the intellectual and physical *work* of man. Man's work directs nature so that nature becomes more productive and useful to man. Capital makes work easier. Capital produces more at less labor to man. Capital is merely *altered* nature, or *recombined* nature. Capital permits man to have earthly comfort, well-being, prosperity, riches. Where there is no capital, man is desperately poor. Where there is much capital man is prosperous—provided another element, *sin, violation of the social laws of God, has not been injected into the situation.*

Maybe the most informative sentences in the quotations from Böhm-Bawerk are these:

Nature, left to herself, behaves on a large scale in a manner that is comparable on a small scale to that of a person, who, wishing to produce a definite mosaic pattern, were not to compose it deliberately, but were, instead, to keep on whirling 1,000 bits of colored stone at random in a kaleidoscope and then to wait until by chance the desired pattern emerged. In the infinitude of ways in which the active materials and forces may combine there are, in both instances, untold possible associations but very few favorable ones. And in the untrammeled course of events those few occur too rarely for man, who is forced to rely on their eventuation for the satisfaction of his wants, to be content quietly to await those combinations. He therefore injects his own consciously purposeful efforts into the natural process and makes them a factor in it. He begins to *produce* the goods he needs.

Nature is gloriously wonderful, but for man's welfare nature must be altered. The *materials* exist in nature. The *combinations* are not right for man's *specific* needs. Man must guide nature. What develops from that "guidance" is capital. The guidance which man introduces is purposeful, that is, has a teleological aspect. Purposeful man does not rely on chance—the whirling of the mosaic stones in nature; when could they possibly be ex-

pected to land right! He carefully places each mosaic stone in place *for his purpose*. The result, in this figure of speech, is *capital*.

Man in his original state was poor, because God had not created "capital." Man in his fallen state (of which more later) is poor because God has not created capital *and* because man regularly violates the social commandments (or laws) of God, thereby frustrating cooperation among men. Adam was originally poor because of creation, and because he lacked capital. His descendants today are less poor than Adam because they do have some capital (although not enough of it), but they have an offsetting item, namely, sin—violations of the commandments of God.

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(*to be continued*)

God Did Not Make The World Good, As Some People Understand "Good"

One way to interpret the statement that God created the world "good" is to take it to mean that *every* individual wish of *every* individual man in *every* age under *every* circumstance would instantly be supplied by God. *He* would *anticipate* every man's every wish. This is the assumption behind the *popular* understanding of the infralapsarian doctrine and the pre-Fall world.

Another way to interpret the statement that God created the world "good" is to take it to mean that there are general laws and provisions in nature which are of *general* use to man, *provided* that man works intelligently and physically to utilize those general laws by putting them into operation when they can (1) serve his specific purposes and (2) neutralize those general laws when they obstruct his specific purposes at a given time, and place and circumstance. See the earlier Böhm-Bowerk quotation, pages 278 ff.

Creation, in our opinion, was not created "good" in the sense that it would instantly satisfy every man's every whim. If we may be permitted the expression, it was "impossible" to create such a world, because then *general* laws of nature could not exist. In the naive sense referred to, every man could be a little tyrant about having every specific whim satisfied. What "nature" would

do when the whim of one man clashed with the whim of another man is not explained by those who hold to naive ideas of a "good" world.

One consequence of a sound notion of the character of creation is that people become aware that *work* was absolutely necessary in the original "good" world; such work must have consisted in adjusting the laws of nature to man's specific needs at that specific time.

At a given time and place a man may want water—as in a desert. To get water at such a place may mean a terrific amount of work, namely, to dig a very deep well. At another time a man may be living at the edge of a pure stream of water, and water is no problem to him and requires no work.

Solomon realized that "circumstances alter cases" and that individual, subjective *values* or purposes are in a constant state of flux. If values fluctuate, then nature would have to fluctuate with the variable subjective values men have, *if the world is to be good* in the sense that men would not have to work. In Ecclesiastes 3:1-8 Solomon wrote:

For everything there is a season, and a time for every purpose under heaven: a time to be born, and a time to die; a time to plant, and a time to pluck up that which is planted; a time to kill, and a time to heal; a time to break down, and a time to build up; . . . a time to cast away stones, and a time to gather stones together; . . . a time to seek, and a time to lose; a time to keep, and a time to cast away; a time to rend, and a time to sew; . . .

Solomon could hardly have been an infralapsarian. He realized *values* are infinitely variable. It is that infinite variability which cannot be satisfied by a world consisting of *general* laws. If one, in contrast, accepts the naive popular idea of how the original world was "good" then, instead of Adam having had to work to satisfy specific and changing needs, all he had to do was wish it, and presto, it came about.

Another derivation from naive ideas about the structure of the world is the idea that the "general" laws of creation, are an evidence of the "common grace" of God. In this instance words acquire a peculiar meaning. Obviously, "grace" here means natural laws *and nothing else*. There is, among some Christians constant

reference to general (common) natural laws as "grace," for example, that the sun shines and the rain falls on the good and evil alike. Of course it does. To have disputed it would have been ridiculous. The statement merely declares that *natural laws are general* and not specific. Likewise, moral laws, too, are general—universal and invariable in this life, affecting good and evil equally. Christ declares that it would be a sin to treat evil men on a different principle than good men. Your and my rule for doing good must be as beneficial—and general—to the evil as well as the good, as the rules of nature apply to the evil and the good.

Böhm-Bawerk in the quotation on pages 278 ff. shows how man *must* work to satisfy *specific* needs. That *work* was not initially because of sin, but because nature was only *generally* favorable—that is, "good"—and not *specifically* favorable.

If You Were Robinson Crusoe, What Would You Choose To Salvage?

The following is taken from the April-May 1957 *Case Eagle*, a publication of the J. I. Case Company, farm implement and industrial equipment manufacturer.

Let's be sure we always "TAKE THE AXE"

You're Ronnie Horvath, a 20th Century Robinson Crusoe. The only survivor of a shipwreck. The vessel is about to break up on the reef. You can carry something ashore; not much. At hand are canned foods, a radio, an axe, clothing.

What to take? The decision will mean life or death on the desert island. You could take the canned foods, but shortly you'd have nothing but empty cans. The portable radio—for the sound of human voices in your loneliness? But you can't build a shelter with rundown batteries. Clothing? It would soon rot away.

"You take the axe." Now you have a tool. With the axe you can build shelter—defend yourself—kill animals for food—chop fire wood. The axe multiplies your strength and skills. Man, by himself, is a pretty puny fellow. But give him an axe and he's a world-beater.

Better yet, give him an assembly line, machine tools, horsepower—and he'll provide the luxuries of peace, or, if need be, the sinews for defense.

There's a problem, though. No one gives away assembly lines or machine tools. And it takes a \$12,000 investment in tools and materials for the average job. Where do these tools come from? From ordinary private citizens, who plunked their savings into shares of Company ownership—in hope of earning profit.

We in America have chosen to take the axe, the tool—on a vastly magnified scale. This choice—of tools to produce more—has helped us to live better. Better than any people, anywhere, at any time in history.

An axe is *capital*. God did not create *capital*. Man must "make" capital. That involves hard labor and temporary self-denial (there are exceptions). Men will pay that price for capital only when it is *for themselves*. Unless they get a modest reward (not the sole or total reward) they will not be sufficiently motivated to do what is necessary to accumulate capital. The "return" that men presently demand for private ownership is 3, 4 or 5 per cent annually of the market value of the capital. In Moses's time it was 5 to 7 times that.

If we are ever shipwrecked as Robinson Crusoe, we shall grab the "capital" and not the finished goods ready for consumption.

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Why Are People Poor? (continued), Or Poverty And Its Causes

The Economic Reason Why Men Are Poor

Under the foregoing general title considerable space was devoted in last month's issue to the idea that men are always very poor — lack comforts and must work hard — whenever they lack capital.

Primitive societies, new societies, and societies not organized on a laissez-faire basis lack capital. Such societies must be poor. Adam as the first man was necessarily poor. Grant his extraordinary capabilities, grant his original moral state, and grant that his environment in the Garden of Eden was favorable, he nevertheless had a very low standard of living; no clothes; no fire-making or cooking capital; no capital in the form of tools; no housing capital; no plumbing or sanitary capital; no writing equipment capital or paper of any kind; no road or transportation capital; etc. Life in the Garden of Eden was consequently primitive and meager; the reason for that was that God had not created capital. Capital

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(as it was defined in the previous issue) is *man made*. One of the earthly problems of Adam and his descendants is to produce capital.

Capital is necessary for man's earthly well-being, because nature, the world as created, is good only in a general sense. But if something is good in a general sense, that is no guarantee that it will be operative for a particular person's *specific* benefit at a *particular* place, time, circumstance. Men must work directly and men must create capital in order to put the forces of nature to work for them according to their specific and variable needs. The formation of capital consists of man so combining various things and forces that nature works under specific circumstances for man's specific purposes. One man may have need for hot water; another man may have need for cold water. Such men will each make different arrangements to get their water to suit their specific and variable needs. Those arrangements incorporated in tangible things are capital, that is, the *man-produced* means of production.

All human beings naturally wish to have welfare and comfort. What is necessary for that purpose, or in stronger terms, what makes a society rich? The answer to this question is that a *society has material well-being, comfort and wealth in proportion as it has much capital per person*. That is the *sine qua non* of prosperity; that is the inescapable prerequisite to good living. If workmen, intellectuals, farmers, merchants, housewives, union leaders, bankers, the backward nations, the advanced nations, indeed if all men thoroughly understand that elementary idea in regard to the need of *much capital per person* and work toward the objective of developing much capital per person, then there can be hope of getting general prosperity; otherwise, not. Regrettably, the policy of many people and nations is such as not to increase or accumulate more capital per person but to decrease it. Such a policy is confusing, disillusioning and maddening to the masses who do not understand the problem and may see no progress or only slow progress toward attaining it. It is also a wicked process — to reduce the capital per capita by consuming capital.

Capital Per Person Is A Ratio

Capital per capita is a ratio; it shows the relation between two quantities: (1) number of people, and (2) the quantity of

capital. When the amount of capital is divided by the number of people, you get the capital *per capita*.

People can reduce their prosperity or increase it by affecting either of the two numbers used to compute the ratio; for example, the same number of people and more capital means more prosperity; vice versa, more people and the same capital means less prosperity.

Ability To Reason Correctly In Simple Cases

Recently a Chinaman by race but a citizen of another state visited me. I asked him about the percent of Chinamen in his state and their prosperity. He said the Chinamen composed 4% of the population of his country, and that they were more prosperous than the natives.

I asked him why the Chinamen were more prosperous, and in answer he gave two reasons: (1) Chinamen worked harder than the natives; and (2) they were thriftier [which means they spent less for consumption and more for capital]. So far his observations were clear and his thinking was straight. In fact, most people can keep their thinking straight in regard to direct observations of that kind. Hard work and thrift create capital. But they do not necessarily develop a generally high capital per person.

Reluctance To Reason From Simple Observation To General Principles

After my acquaintance had correctly described why Chinamen were prosperous in his country compared with the natives of that country, I generalized the idea and said that that was why the United States was one of the more prosperous countries in the world. But then my Chinese friend balked. He was willing to accept his own observations (for his grandfather, his father and himself who had all worked hard in their adopted country) as an explanation why his family and other Chinese families (although not rich) had become more prosperous than the natives of their adopted country, but there he stopped. Hard work and thrift do not generally result in prosperity, he declared positively. I asked him for his proof. It was this: in China men work hard and are thrifty but they nevertheless continue to be terribly poor. That

fact he considered conclusive proof that it was not hard work and thrift that develop prosperity. Something else, in his opinion, apparently mysteriously creates prosperity.

I then emphasized that I had said capital *per person or per capita*. I told him that I had heard that it was part of the prevailing religion in China to honor their ancestors; and further that *ancestors were considered to be honored in proportion to the number of children bred*. I suggested that if that Chinese religious idea was lived up to, then the number of Chinamen would have a tendency to increase faster than capital was accumulated. Under such circumstances if people increased in number faster than capital in quantity, then the conclusion inevitably followed that the standard of living would go down and stay down at the subsistence level. I told him that an irresponsible birth rate (I did not define an *irresponsible birth rate*) could more than offset hard work and thrift.

My Chinese friend who had spent nine years in Calvinist colleges and universities and who was obviously thoroughly imbued with interventionist (*dirigist*) ideas then answered: (1) at (such and such) university they disagree among themselves on questions of birth control; and (2) the "government" should help the poor.

Not wishing to get into a discussion of birth control (which I had not mentioned and which certainly is not identical with a responsible birth rate) I left this question in the only form in which it was satisfactory to leave it (considering the limited time we would be together), namely, that a population policy for individuals should be *responsible*; men ought not to approach population questions as rabbits, who continue to multiply up to the limit of the means of existence for them and starve beyond that.

Government Assistance Of The Poor, Or The State As An Idol

It appeared desirable instead to discuss what a government might do to help the poor, or as they are also called, the underprivileged, and to what extent a government can promote prosperity and welfare. My friend apparently had confidence that a government can promote welfare and prosperity!

He was in this unintentionally agreeing with the famous socialist agitator, Ferdinand Lassalle, who said that the "state is God," a type of idol worship also well-developed among religious people. My friend was not thinking of a state developing capital the hard and only way, namely, by work and thrift. To the contrary, he was thinking of the state creating capital as if the state were God indeed, and that the hard work and the thrift could be dispensed with. Well, the state is not God; it never has been and it never will be. The state does not work at *producing* capital and the state is seldom *thrifty*. The state taxes instead of produces; the state spends instead of saves. A small part of what a state collects may be spent on developing capital, such as roads, buildings, etc. But when a state undertakes to accumulate capital, it is always inefficient, as we may explain some other time. If it had permitted its citizens to keep what it took from them in taxes (other than for *valid* government expenses) the high probabilities are that such a society would have accumulated more and better-directed capital than that which the government accumulated or invested.

Everybody who really believes that a state can *increase* the welfare of its citizens by making taxes pass through its hands and thereby yielding more than it collected, is practically an idol-worshipper, violating the First Commandment by making the state a creator, a god.

A Human Birth Rate Can Be Responsible; A Bestial Birth Rate Is Not Responsible

We also told our Chinese friend that under a collectivist system (socialism, communism, syndicalism) and under a semi-collectivist system (interventionism, *dirigisme*) the birth rate would always be more or less irresponsible and consequently disastrous. To this he promptly objected. Why, he asked, should the birth rate be higher in a collectivist society than in an "individualist" society. (He struggled a little with the word, individualist, but finally found it, and mentioned it, as do all collectivists and most Calvinists, as a name designating evil. But the word he used, independent of his disapprobation, was the excellently correct word; *individualism* is indeed the exact and only opposite of *collectivism*.)

We answered that two ways. We declared that at first the birth rate would be higher, but that later it would be lower.

When collectivism supersedes individualism, or in other words when socialism or communism takes the place of capitalism, capital is transferred from individuals to society generally, which must mean the state. Capital will then be consumed. (This needs proof; space is not available here.) While that consumption of past savings goes on, people can live better. They are, in a figure of speech, eating up not only the corn available for eating, but they are also eating their seed corn. In the process, population will increase. There will be a false sense of prosperity until it is discovered that not only income, but also previously accumulated capital has been consumed.

Thereafter, (1) the birth rate will have to be lower; or (2) if the birth rate is not lower, then the death rate will go up; or (3) otherwise the standard of living will go down. Usually the latter happens; misery increases; men become bitter; they become frantic and have recourse to violence, especially against those who have not dissipated their capital and have enough to be worth robbing.

Suppose there is a land which has easy-going, nonthrifty people. Suppose there is a neighboring land which has hard-working and thrifty people. Suppose, also that the second land is accumulating capital per capita. Finally, assume that spokesmen for the government of the second people assure the people in the first country that they will never be "let down" and that the second country will always provide a decent standard of living for the people of the first country. What will happen? The people in the first country will breed as rabbits. The population will burgeon. Why should it not? Have not the people of the second country promised to take care of them! We could give an example of such a situation today, but refrain from doing so. We only add that the policy is unsound, that it can only be temporary, and that the longer it is continued the more disastrous it will be. *Vice versa*, in a laissez-faire capitalist type of society, the birth rate has an inescapable tendency to be responsible.

Consequently, we reiterated to our Chinese friend the fundamental proposition that *material well-being for men is determined by the capital per capita*.

The State As The Educational Redeemer Of Its Citizens

He came back with a final argument. The problem of material well-being is, he said, still the responsibility of the state. If people inevitably will be poor unless they work hard, are thrifty and so accumulate capital, but if nevertheless they are easy-going and spendthrift, then the government should undertake the responsibility of educating those people and teaching them to work and to be thrifty.

Again the government was evaluated by him as being almost a God. The word, government, did not mean to him bureaucrats who love power and who do not want the citizenry to be too well-informed or independent in their thinking, but instead it meant a wonderful, fatherly, beneficent source of the highest wisdom and the best agency for training people; if the state could not create capital or induce its creation directly, it could at least educate its citizens to be industrious, thrifty and capital-developing. The *state*, he held, should be responsible for teaching *that* gospel.

We indicated skepticism that the state would function well in that regard. But we emphatically added that we considered the subject of importance to the Christian religion and especially for Christian missions. We told him that we considered a Calvinist derelict in his duty to his fellow men if he did not endeavor to "put straight" the thinking of his fellow men even in what is sneeringly called material matters. We do not consider educating a man on material matters to be something low or of contemptible consequence. If a man has no material welfare, he has no leisure; if he has no material welfare, he cannot educate his children; they lose very vital opportunities; they become bitter; they develop all the envies of the have-nots. We declared that a Christian ought to do that educating instead of the government.* We asked: why should not the proper definition of neighborly love require that we help everyone to get his thinking straight also on material matters, because they do have an effect on a man's time for a spiritual life.

But that, again, was a revolutionary idea to our Chinese friend. He had been trained in a Calvinist institution of higher learning. *There* they had taught him to look to the earthly god, the state,

*As well as proclaiming the great doctrine of salvation by grace.

to undertake all kinds of things, including the economic education of people. That was not the function of the church, nor of Christians, but of that fount of blessings, the state.

We then urged upon our friend a serious consideration of practical Christian principles and the favoring of policies by him in his adoptive country which will genuinely increase its material well-being because of an increase of capital per capita.

Unfortunately, for him to do so will soon make him suspect with his government; he may no longer be kept in its employ; he may be thrown out of his high position, and he may land in prison; maybe something worse can happen.

Our Answer Is Not Yet Complete Why Men Are Poor

On page 267 of the September issue of PROGRESSIVE CALVINISM we outlined the following as possible explanations for poverty or the lack of material well-being.

1. God, if we believe He exists;
2. The *natural* world as it exists, ignoring God as its Creator; we then blame Providence or "nature";
3. Our fellow men, individually or collectively;
4. Ourselves;
5. The system under which men endeavor to operate, something that is given a name such as capitalism or socialism.

We have finished in this analysis, for the time being, with (1), (2) and (4) — with (1) God, with (2) nature, and with (4) ourselves as isolated producers, men who may work hard and are thrifty. There remains the problem of whether and how much poverty is the result of what men do to each other, number (3); or whether there is something inherent in a system, either capitalism or socialism, that is basically bad, number (5).

Items (3) and (5) require a shift to the problem of coercion, the problem of exploitation of man by man. Up to this point we

have been considering the coercion, in a sense, of nature* on man and how to make nature more responsive to man's needs. But granting that nature becomes more responsive in total when capital per capita is increased, how about the unequal and maybe unfair and exploitative distribution of production from the cooperation of nature, man and capital. Maybe *A* is strong; maybe *A* is competent; maybe *B* is weak; maybe *B* is incompetent; maybe therefore prosperity (the absence of poverty) is not to be desired, if the distribution of the benefits is not "fair" and "just."

This is, of course, an enormous problem and we do not wish to go into that problem without considering what is meant by "fair" and by "just."

We wish to analyze this problem as, first, one involving a potential gross fallacy, and, secondly, the actual character of that fallacy.

In this connection we wish to write about William of Ockham (or Occam) and his famous method of argumentation known as Occam's Razor. Secondly, we wish to quote what Ludwig von Mises has written in the section entitled, "Righteousness As The Ultimate Standard of the Individual's Actions" in his great book on economics, entitled, *Human Action*, pages 719-725 (Yale University Press, New Haven, Connecticut, 1949). fn

William Of Occam And His Razor

Occam Himself

William of Ockham or Occam (1300?-1349?) an Englishman who became a Franciscan friar and eventually the head of the Order, is usually considered to be the last of the great medieval scholasticists. Occam is considered to have given a death blow to medieval scholasticism, and his ideas helped to usher in the modern period of philosophy. His "approach" is considered to have been fertile to modern scientific thought. As PROGRESSIVE CALVINISM is appreciative of the achievements and benefits of modern science, it feels comfortable about the basic approach made by Occam, al-

*Not man on man.

though we lack thorough knowledge of the philosophic and epistemological problems which are involved.

In the medieval ages a controversy raged between *realists* and *nominalists*. Realists were philosophers and churchmen in the tradition of Plato and Augustine, the early church father. They held that real reality consisted not in individuals but in general ideas. The *general idea of man* was more real than *individual man*.

The nominalists held the reverse idea; they said that the individuals only were real. The nominalists were *factual* people. William of Ockham was the last and by far the greatest of the nominalists. After him realism no longer looked good.

Ockham, aside from his activities as a thinker and a philosopher, was also an active churchman. He was against centralization of power in Rome and he eventually was in grave disfavor with the Holy See. His predecessor as head of the Franciscan order was excommunicated by the Pope, and William, when he succeeded to being the head of the Order, lived in Germany under the protection of the secular prince who was resisting the temporal power of the Pope.

Withal Occam was a relatively *modern* man in philosophy and in politics. His approach was such that he could well have been a modern scientist and philosopher of freedom.

Occam's Razor

Occam's Razor is a method of thinking and arguing, and it was a method which was peculiarly useful to him in defending his basic idea against the realists. If modern men understood the basic idea of Occam's Razor, there would be less error in the world.

There is a fundamental logical fallacy which is known as "begging the question"; the Latin expression for this is *petitio principii*. The meaning of "begging the question" is that you, consciously or unconsciously, assume ahead of time exactly that to be true which really needs to be proved to be true, and that you proceed with your argument from there on as if what you assumed was actually true and proved. In laymen's language, "begging the question" or *petitio principii* consists (1) in your deceiving yourself unconsciously or (2) in your deliberately but falsely trying to out-

argue an opponent by assuming that to be true which is the most fundamental thing to be proved. Then you proceed from there on as if your case were sound.

Examples Of Begging The Question

In a university class in English, in our youth, we remember a newspaper reporter who attended as a special student. He was more mature than the rest of us, had a fast mind, and took an active part in class discussions. But the professor without apologies soon developed the habit of impolitely interrupting the student. Gradually it became apparent to me as a rather dull listener what the mental habits of the newspaperman were and the systematic objection that the professor had to those mental habits.

The student was a shameless "question beggar." In order to "prove" anything, he merely assumed it. He further made the assumption in the baldest manner, not by the use of one word, but two words, a noun and an adjective modifying the noun. We forget specific cases but this was his method: "The crooked government put Smith in the Marines and he died in action"; or, "The Women's Christian Temperance Union resisted the selfish interests of the whiskey distillers." What the professor objected to were the adjectives, *crooked* government and *selfish* interests. He demanded that the student either leave out adjectives or first prove that the government was crooked or that the whiskey interests were selfish.

Since that time we have never doubted that the mere use of adjectives proves nothing; they are often used to perpetrate the fallacy of begging the question, or *petitio principii*. An example of begging the question by the use of an adjective might be as follows: "*Unbrotherly* (or unsympathetic) criticisms of the Christian Reformed church are published by so-and-so." Most people from that point on consider that the person criticized in the preceding sentence is indeed sinfully *unbrotherly*, *unsympathetic*, *unfair*, has a hostile purpose, and therefore should not be heard; why, he is disloyal to the denomination! But the "question" has been "begged"; the propriety of the adjective needs to be substantiated.

The fallacy of begging the question becomes less obvious when only one word is used, but when the word carries a certain meaning

which ought to be proved. Theodore Roosevelt organized a new party and he called it the Progressive Party and the members called themselves Progressives. They were careful not to call themselves Reactionaries, for one reason because that name does not sound good. (We in fact believe they were reactionaries.) Of course, people are not progressive just because they call themselves Progressives, nor are they necessarily reactionary because people call them Reactionaries.

The word *progressive* in PROGRESSIVE CALVINISM is a question-begging term. Our claiming the use of the word, *progressive*, does not substantiate that we are progressive. (We may some day give several of the reasons explaining why we selected the name.)

The Fallacy Most Used By Communism

There is an evil movement widely penetrating the world today which carries the name of Communism. The basic logical fallacy systematically and deliberately employed by Communists is "begging the question." It is their favorite weapon and should be carefully guarded against. Every aggression in which communism engages is described by them as *defense* against the *aggression* of others. They hide their own *aggression* under the question-begging term of *defense*. Every measure of self-defense by free people and every alliance against communism is called by the communists *war-mongering*.

People favoring freedom and who believe in honesty, when they read communist news releases will discover several things: (1) that those news releases anger them because they appear so false; it is the question-begging terms in the news releases that cause that; (2) that they are against better judgment, half-convinced that the news releases of the communists might be true; again, it is the question-begging terms that do the trick. Deliberate question-begging is the most insidious propaganda that evil minds systematically employ.

What is the United States, according to communism? It is "imperialistic, war-mongering, exploitative, unjust, poor." And what is communism? It is wonderful, a "people's democracy"; and Russia is a federation of "republics," which are "peaceful, just,

defenders of the down-trodden, rich." All these allegations not only beg the question, but they are false.

William Of Occam's Basic Idea

Now William of Occam was opposed to this question-begging habit. He declared that the thinkers who went by the name of realists were constantly guilty of begging the question. The realists gave a general name to all human beings, namely, man, and then they declared that the general idea of man was more real than individual men. By creating a *general* term the realists were assuming that it represented something real. That is a fallacy, Occam declared. His "celebrated razor" is nothing more than saying that by giving something a name you have not proved anything. The general idea of man and the name for it does not make a reality of man in general and does not make man in general more real than an individual man. That is what the realists were constantly doing *unconsciously*, just as the communists employ terms *deliberately* nowadays for propaganda purposes.

Intellectuals in the church in the field of philosophy and the social sciences, the Calvinistic Action Committee, the confused* editors of the *Reformed Journal*, a department editor of *The Banner* (Rev. Peter Van Tuinen), and leaders of the so-called Christian labor movement, are all men who talk about "just prices," "fair profits," "just wages," "*een menschwaardig bestaan*." The whole social and economic structure popularly promoted in the church is based on ideas which are as much a figment of the imagination and as meaningless as the ideas which Occam shattered with his famous "razor"; worse, they will eventually be as harmful as the question-begging terms of the communists.

Christian intellectuals want a society based on *righteousness* and *just prices* and a *just distribution* of wealth. We ask *a la* Occam: what is *righteousness*? what are *just prices*? what is a *just distribution* of wealth? Until intellectuals, theologians, labor leaders and all who aspire to influence denominational thought define those terms they have merely begged the question.

Occam's razor is needed to end the confusion on these subjects. fn

*Our own little question-begging adjective.

Mises On: "Righteousness As The Ultimate Standard Of The Individual's Actions"

Two Basic Principles For Organizing Society And Not Three

It is an interesting question what economic system is really favored by theologians and lay members of the protestant churches. There are only two *basic* positions possible — *laissez-faire* capitalism and socialism-communism.

In a broad sense a man is either an individualist or a collectivist, because individualism is the general term for freedom and responsibility in a capitalist economic system; and because collectivism is the general term for planning and regulation in a socialist-communist economic system.

In the Calvinist denomination to which the publishers of PROGRESSIVE CALVINISM belong there appears to be a belief that there is a genuinely different third position to which many of the denomination's members apparently wish to belong, namely, a position to which the name interventionism is now generally being given in the United States. In the Netherlands the name used is *Dirigisme* (a *directed economy*). Interventionism means that the State permits the ownership of private property to continue, but *intervenes* in regard to ownership. Legislators under an interventionist system legislate in a manner to intermeddle or intervene or restrict the historical prerogatives of ownership. Further, under interventionism many boards, commissions and bureaus are set up which have authority extensively to regulate what might be or was previously free. A large group of bureaucrats fasten themselves on society as leeches, and make rules and regulations hampering the free market which contributes so much to prosperity. The assumption underlying interventionism is that the elite, that is, those in the government (to wit, politicians), are more virtuous, more wise and more responsible than other men.

Of course, a system can still be mostly individualistic, that is, largely, *laissez-faire* capitalism (free market capitalism) with only a dose of interventionism. Or a society can have in a very limited way *laissez-faire* capitalism with a very large degree of interven-

tionism. All degrees of mixture are possible. But the basic principle underlying interventionism is not reconcilable with the basic principle underlying *laissez-faire* capitalism, nor with the principle of neighborly relations which is taught in Scripture.

Is There A Fourth Principle For Organizing Society?

In protestant churches there is in a definite sense a fourth principle which is declared to be the right principle for organizing society. This principle is the *Principle of Righteousness*. The Principle of Righteousness for organizing society takes on two forms to wit:

- (1) Popular forms of interventionism
- (2) A highly, subjective opinion of a person or of a committee such as a Social Action Committee

In the latter case, the Principle of Righteousness is identified with the personal opinion of the person or of the majority of a committee, or of self-appointed spokesmen for a denomination. Of course, these men are in favor of neighborly love, justice and righteousness. The important point is that what these men *think* is considered by them to be identical with true righteousness.

Protestants get then the following systems for the organization of society:

1. Capitalism
2. Socialism and/or communism
3. Interventionism
4. Righteousness

This fourth system is preached as by far the best. If men would only be "just" and "righteous" then the kingdom of God would descend to the earth, and utopia would be there. It is because men are not just and because they are not righteous that all the world is in varying degrees of misery.

These men suffer from a pious hallucination and are guilty of the distressing fallacy of *petitio principii* or begging the question.

What they recommend as just and righteous (or what we recommend as just and righteous, or what anyone else recommends as just and righteous) does not make any of those recommendations intrinsically *just* and *righteous*. Their terms assume what yet needs to be proved; they are terms which are loaded with the probability that they are deceiving themselves. They are propaganda terms.

PROGRESSIVE CALVINISM is for a just and righteous economic system. Those whose program is the exact opposite of ours declare that they are for a just and righteous economic system. But we all should make the approach of William of Occam. We must apply Occam's Razor. We must ask ourselves: What *is* a just price? What *is* economic righteousness? Merely by using the words justice and righteousness we have proved nothing. They are merely meaningless words — *unless defined*.

Professor Ludwig von Mises in his classic, comprehensive economic text, *Human Action*, analyzes the idea of economic righteousness better than we could do it. See pages 719-725 where Mises discredits the prevailing ideas of "Righteousness as the Ultimate Standard of the Individual's Actions." We have obtained the permission of the publisher, Yale University Press, to quote this entire section. We have, in order to help our readers and to relate the quotation to what has been published earlier in PROGRESSIVE CALVINISM, made marginal notes which will be self-explanatory. The quotation from Von Mises's *Human Action* follows:

**Righteousness As The
Ultimate Standard
Of The Individual's Actions**

- 1 According to a widespread opinion
- 2 it is possible, even in the absence of
- 3 government interference with busi-
- 4 ness, to divert the operation of the
- 5 market economy from those lines
- 6 along which it would develop if left
- 7 to exclusive control by the profit mo-
- 8 tive. Advocates of a social reform to
- 9 be accomplished by compliance with
- 10 the principles of Christianity or with

**Our
Marginal
Notes**

This is the kind of paragraph which would have applied to us twenty-five years ago; if we had read it at that time, we too would have said that something besides the exclusive control of the profit motive is necessary for an ideal economy.

11 the demands of "true" morality
12 maintain that conscience should also
13 guide well-intentioned people in their
14 dealings on the market. If all people
15 were prepared not only to concern
16 themselves selfishly about profit, but
17 no less about their religious and moral
18 obligations, no government compul-
19 sion and coercion would be required
20 in order to put things right. What is
21 needed is not a reform of government
22 and the laws of the country, but the
23 moral purification of man, a return
24 to the Lord's commandments and to
25 the precepts of the moral code, a
26 turning away from the vices of greed
27 and selfishness. Then it will be easy
28 to reconcile private ownership of the
29 means of production with justice,
30 righteousness, and fairness. The dis-
31 astrous effects of capitalism will be
32 eliminated without prejudice to the
33 individual's freedom and initiative.
34 People will dethrone the Moloch capi-
35 talism without enthroning the Moloch
36 state.

1 The arbitrary value judgments
2 which are at the bottom of these opin-
3 ions need not concern us here. What
4 these critics blame capitalism for is
5 irrelevant; their errors and fallacies
6 are beside the point. What does mat-
7 ter is the idea of erecting a social
8 system on the two-fold basis of pri-
9 vate property and of moral principles
10 restricting the utilization of private
11 property. The system recommended,
12 say its advocates, will be neither soc-
13 ialism nor capitalism nor intervention-

The fourth system
for organizing,
namely, the *system
of righteousness*, in
contrast to capital-
ism, socialism and
interventionism.

14 ism. Not socialism, because it will
15 preserve private ownership of the
16 means of production; not capitalism,
17 because conscience will be supreme
18 and not the urge for profit; not in-
19 terventionism, because there will be
20 no need for government interference
21 with the market.

1 In the market economy the indi-
2 vidual is free to act within the orbit of
3 private property and the market. His
4 choices are final. For his fellow men
5 his actions are data which they must
6 take into account in their own acting.
7 The coordination of the autonomous
8 actions of all individuals is accom-
9 plished by the operation of the mar-
10 ket. Society does not tell a man what
11 to do and what not to do. There is
12 no need to enforce cooperation by
13 special orders or prohibitions. Non-
14 cooperation penalizes itself. Ad-
15 justment to the requirements of soci-
16 ety's productive effort and the pur-
17 suit of the individual's own concerns
18 are not in conflict. Consequently no
19 agency is required to settle such con-
20 flicts. The system can work and ac-
21 complish its tasks without the inter-
22 ference of an authority issuing special
23 orders and prohibitions and punishing
24 those who do not comply.

1 Beyond the sphere of private prop-
2 erty and the market lies the sphere of
3 compulsion and coercion; here are the
4 dams which organized society has
5 built for the protection of private
6 property and the market against
7 violence, malice, and fraud. This is

The liberty and non-
coercion which are
characteristic of
capitalism or the
market economy;
(except of course the
coercion of the state
against violence,
fraud and theft in
which regard see the
next paragraph).

The sixth, eighth
and ninth command-
ments in the Deca-
logue, the enforce-
ment of which are
the only coercion on
which capitalism or
a market economy
relies.

8 the realm of constraint as distin-
9 guished from the realm of freedom.
10 Here are rules discriminating between
11 what is legal and what is illegal, what
12 is permitted and what is prohibited.
13 And here is a grim machine of arms,
14 prisons, and gallows and the men
15 operating it, ready to crush those
16 who dare to disobey.

1 Now, the reformers with whose
2 plans we are concerned suggest that
3 along with the norms designed for
4 the protection and preservation of
5 private property further ethical rules
6 should be ordained. They want to
7 realize in production and consump-
8 tion things other than those realized
9 under the social order in which the
10 individuals are not checked by any
11 obligation other than that of not
12 infringing upon the persons of their
13 fellow men and upon the right of
14 private property. They want to ban
15 those motives that direct the individ-
16 ual's action in the market economy
17 (they call them selfishness, acquisi-
18 tiveness, profit-seeking) and to re-
19 place them with other impulses (they
20 call them conscientiousness, right-
21 eousness, altruism, fear of God,
22 charity). They are convinced that
23 such a moral reform would in itself
24 be sufficient to safeguard a mode of
25 operation of the economic system,
26 more satisfactory from their point of
27 view than that of unhampered capi-
28 talism, without any of those special
29 governmental measures which inter-
30 ventionism and socialism require.

The basic idea that
more is needed be-
sides a free market,
private property,
and the sixth, eighth,
and ninth command-
ments, namely, that
a system of righte-
ousness is needed.

Lines 17 and 18; al-
leged sins to which
Occam's razor
should be applied.

Lines 19-22; alleged
virtues to which Oc-
cam's Razor should
be applied.

Lines 22 - 30; opti-
mism regarding this
system of righteous-
ness.

1 The supporters of these doctrines
2 fail to recognize the role which those
3 springs of action they condemn as
4 vicious play in the operation of the
5 market economy. The only reason
6 why the market economy can operate
7 without government orders telling
8 everybody precisely what he should
9 do and how he should do it is that
10 it does not ask anybody to deviate
11 from those lines of conduct which
12 best serve his own interests. What in-
13 tegrates the individual's actions into
14 the whole of the social system of
15 production is the pursuit of his own
16 purposes. In indulging in his "acqui-
17 sitiveness" each actor contributes his
18 share to the best possible arrange-
19 ment of production activities. Thus,
20 within the sphere of private property
21 and the laws protecting it against en-
22 croachments on the part of violent
23 or fraudulent action, there is no anta-
24 gonism between the interests of the
25 individual and those of society.

1 The market economy becomes a
2 chaotic muddle if this predominance
3 of private property which the re-
4 formers disparage as selfishness is eli-
5 minated. In urging people to listen
6 to the voice of their conscience and
7 to substitute considerations of public
8 welfare for those of private profit,
9 one does not create a working and
10 satisfactory social order. It is not
11 enough to tell a man *not* to buy on
12 the cheapest market and *not* to sell
13 on the dearest market. It is not
14 enough to tell him *not* to strive

Lines 1-19. The har-
monizing and inte-
grating effect of
each man pursuing
his own interests.
Acquisitiveness is a
good thing.

Lines 19 - 25. The
harmony of individ-
ual and societal in-
terests.

Lines 1-10. "Selfish-
ness" is essential to
the market economy.

Lines 10 - 15. The
characteristics of
selfishness which
the *system of right-
eousness* would pro-
hibit.

15 after profit and *not* to avoid losses.
16 One must establish unambiguous
17 rules for the guidance of conduct in
18 each concrete situation.

Lines 16 - 18. Rules
must be unambiguous.

1 Says the reformer: The entrepreneur is rugged and selfish when, taking advantage of his own superiority, he underbids the prices asked by a less efficient competitor and thus forces the man to go out of business.
2 But how should the "altruistic"
3 entrepreneur proceed? Should he
4 under no circumstances sell at a
5 price lower than any competitor?
6 Or are there certain conditions which
7 justify underbidding the competitor's
8 prices?

Lines 1-13. An obvious problem not answered by a system of righteousness.

1 Says the reformer on the other hand: The entrepreneur is rugged and selfish when, taking advantage of the structure of the market, he asks a price so high that poor people are excluded from purchasing the merchandise. But what should the "good" entrepreneur do? Should he give away the merchandise free of charge? If he charges any price, however low, there will always be people who cannot buy at all or not so much as they would buy if the price were still lower. What group of those eager to buy is the entrepreneur free to exclude from getting the merchandise?

Lines 1-17. Still another failure of the system of righteousness; supply and demand are not balanced.

1 There is no need to deal at this point of our investigation with the consequences resulting from any deviation from the height of prices

Lines 1-34. The critical dilemma in which the system of righteousness leaves the problem; it does not make specific

5 as determined on an unhampered
6 market. If the seller avoids under-
7 bidding his less efficient competitor,
8 a part at least of his supply remains
9 unsold. If the seller offers the mer-
10 chandise at a price lower than that
11 determined on an unhampered mar-
12 ket, the supply available is insufficient
13 to enable all those ready to expend
14 this lower price to get what they
15 are asking for. We will analyze later
16 these as well as other consequences
17 of any deviation from the market
18 prices. What we must recognize even
19 at this point is that one cannot con-
20 tent oneself simply by telling the
21 entrepreneur that he should *not* let
22 himself be guided by the state of the
23 market. It is imperative to tell him
24 how far he must go in asking and
25 paying prices. If it is no longer
26 profit-seeking that directs the entre-
27 preneurs' actions and determines what
28 they produce and in what quantities,
29 if the entrepreneurs are no longer
30 bound by the instrumentality of the
31 profit motive to serve the consumers
32 to the best of their abilities, it is
33 necessary to give them definite in-
34 structions. One cannot avoid guiding
35 their conduct by specified orders and
36 prohibitions, precisely such decrees
37 as are the mark of government inter-
38 ference with business. Any attempt
39 to render such interference super-
40 fluous by attributing primacy to the
41 voice of conscience, to charity and
42 brotherly love, is vain.

the principle which
is supposed to super-
sede the market
principle.

Lines 34 - 42. How
can the voice of con-
science become spe-
cific enough? Is it
not impossible? Re-
course must be had,
eventually, to coercive
action through
a group agency as
the government.

1 The advocates of a Christian social
2 reform pretend that their ideal of
3 greed and profit-seeking tamed and
4 restrained by conscientiousness and
5 compliance with the moral law
6 worked rather well in the past. All
7 the evils of our day are caused by
8 defection from the precepts of the
9 church. If people had not defied
10 the commandments and had not
11 coveted unjust profit, mankind
12 would still enjoy the bliss experienced
13 in the Middle Ages when at least
14 the elite lived up to the principles of
15 the Gospels. What is needed is to
16 bring back those good old days and
17 then to see that no new apostasy de-
18 prives men of their beneficent effects.

Lines 1 - 18. The Middle Ages as an example of a system of righteousness.

1 There is no need to enter into an
2 analysis of the social and economic
3 conditions of the thirteenth century
4 which these reformers praise as the
5 greatest of all periods of history.
6 We are concerned merely with the
7 notion of *just* prices and wage rates
8 which was essential in the social
9 teachings of the doctors of the
10 church and which the reformers want
11 to raise to the position of the ultimate
12 standard of economic conduct.

Lines 1 - 12. The problem is to define what is meant by *just* prices and *just* wage rates. What are they?

1 It is obvious that with theorists this
2 notion of *just* prices and wage rates
3 always refers and always referred to a
4 definite social order which they con-
5 sidered the best possible order. They
6 recommend the adoption of their
7 ideal scheme and its preservation for-
8 ever. No further changes are to be
9 tolerated. Any alteration of the best

Lines 1 - 22. One necessary feature of *just* prices and *just* wage rates is a static, unchanging society, incapable of progress.

10 possible state of social affairs can
11 only mean deterioration. The world
12 view of these philosophers does not
13 take into account man's ceaseless
14 striving for improvement of the mat-
15 erial conditions of well-being. His-
16 torical change and a rise in the gen-
17 eral standard of living are notions
18 foreign to them. They call "just"
19 that mode of conduct that is com-
20 patible with the undisturbed preser-
21 vation of their utopia, and everything
22 else unjust.

1 However, the notion of just prices
2 and wage rates as present to the mind
3 of people other than philosophers
4 is very different. When the non-
5 philosopher calls a price just, what
6 he means is that the preservation of
7 this price improves or at least does
8 not impair his own revenues and sta-
9 tion in society. He calls unjust any
10 price that jeopardizes his own wealth
11 and station. It is "just" that the
12 prices of those goods and services
13 which he sells rise more and more
14 and that the prices of those goods
15 and services he buys drop more and
16 more. To the farmer no price of
17 wheat, however high, appears unjust.
18 To the wage earner no wage rates,
19 however high, appear unfair. But the
20 farmer is quick to denounce every
21 drop in the price of wheat as a viola-
22 tion of divine and human laws, and
23 the wage earners rise in rebellion
24 when their wages drop. Yet the mar-
25 ket society has no means of adjusting
26 production to changing conditions

Lines 1 - 25. Every
man's idea of a just
price and a just
wage differs.

Lines 25 - 38. The
benefits of price
changes which the

27 other than the operation of the market. By means of price changes it
28 forces people to restrict the production of articles less urgently asked
29 for and to expand the production of
30 those articles for which consumers'
31 demand is more urgent. The absurdity
32 of all endeavors to stabilize prices
33 consists precisely in the fact that
34 stabilization would prevent any further
35 improvement and result in rigidity
36 and stagnation. The flexibility
37 of commodity prices and wage rates
38 is the vehicle of adjustment, improvement,
39 and progress. Those who
40 condemn changes in prices and wage
41 rates as unjust, and who ask for the
42 preservation of what they call just,
43 are in fact combating endeavors to
44 make economic conditions more satisfactory.

parties in a market society mistakenly consider unjust.

Lines 38-47. Endeavors to maintain unchanged so-called just prices and wages injure society.

1 It is not unjust that there has long
2 prevailed a tendency toward such a determination of the prices of agricultural products that the greater
3 part of the population abandoned
4 farming and moved toward the processing industries. But for this tendency, 90 per cent or more of the
5 population would still be occupied in agriculture and the processing industries would have been stunted in their
6 growth. All strata of the population,
7 including the farmers, would be worse off. If Thomas Aquinas' doctrine of
8 the just price had been put into practice, the thirteenth century's
9 economic conditions would still prevail. Population figures would be

Lines 1-21. Just prices in agriculture would have stunted society, population growth and standards of living.

19 much smaller than they are today
 20 and the standard of living much
 21 lower.

1 Both varieties of the just-price doc-
 2 trine, the philosophical and the popu-
 3 lar, agree in their condemnation of
 4 the prices and wage rates as deter-
 5 mined on the unhampered market.
 6 But this negativism does not in itself
 7 provide any answer to the question
 8 of what height the just prices and
 9 wage rates should attain. If right-
 10 eousness is to be elevated to the
 11 position of the ultimate standard of
 12 economic action, one must unambigu-
 13 ously tell every actor what he should
 14 do, what prices he should ask, and
 15 what prices he should pay in each
 16 concrete case, and one must force —
 17 by recourse to an apparatus of violent
 18 compulsion and coercion — all those
 19 venturing disobedience to comply
 20 with these orders. One must establish
 21 a supreme authority issuing norms
 22 and regulating conduct in every res-
 23 pect, altering these norms if need be,
 24 interpreting them authentically, and
 25 enforcing them. Thus the substitu-
 26 tion of social justice and righteous-
 27 ness for selfish profit-seeking requires
 28 for its realization precisely those poli-
 29 cies of government interference with
 30 business which the advocates of the
 31 moral purification of mankind want
 32 to make superfluous. No deviation
 33 from the unhampered market econo-
 34 my is thinkable without authoritar-
 35 ian regimentation. Whether the
 36 authority in which these powers are

Lines 1-20. What is
 practically required
 of a system of right-
 eousness, but which
 it completely fails to
 provide.

Lines 20-35. To make
 effective a system of
 righteousness one
 must have recourse
 to inexcusable vio-
 lence and coercion.

Lines 35-39. The ob-
 jection to coercion is
 valid no matter who

37 vested is called lay government or
38 theocratical priesthood makes no
39 difference.

exercises the coercion.

1 The reformers, in exhorting people
2 to turn away from selfishness, ad-
3 dress themselves to capitalists and
4 entrepreneurs, and sometimes, al-
5 though only timidly to wage earners
6 as well. However, the market econo-
7 my is a system of consumers' supre-
8 macy. The sermonizers should ap-
9 peal to consumers, not to produc-
10 ers. They should persuade the con-
11 sumers to renounce preferring better
12 and cheaper merchandise to poorer
13 and dearer merchandise lest they hurt
14 the less efficient producer. They
15 should persuade them to restrict their
16 own purchases in order to provide
17 poorer people with the opportunity
18 to buy more. If one wants the con-
19 sumers to act in this way, one must
20 tell them plainly what to buy, in what
21 quantity, from whom, and at what
22 prices; and one must provide for en-
23 forcing such orders by coercion and
24 compulsion. But then one has adopt-
25 ed exactly that system of authoritar-
26 ian control which moral reform
27 wants to make unnecessary.

Lines 1-18. The ex-
hortations of the ad-
vocates of a system
of righteousness are
addressed to the
wrong people.

1 Whatever freedom individuals can
2 enjoy within the framework of social
3 cooperation is conditional upon the
4 concord of private gain and public
5 weal. Within the orbit in which the
6 individual, in pursuing his own well-
7 being, advances also — or at least
8 does not impair — the well-being
9 of his fellow men, people going their

Lines 18-27. What is
the answer of the
system of righteous-
ness?

Lines 1-12. The sys-
tem of righteousness
must become a sys-
tem of coercion,
whereas a market
system is a volun-
tary (meek) society.

10 own ways jeopardize neither the pres-
11 ervation of society nor the concerns
12 of other people. A realm of freedom
13 and individual initiative emerges, a
14 realm in which man is allowed to
15 choose and to act of his own accord.
16 This sphere of economic freedom is
17 the basis of all the other freedoms
18 compatible with cooperation under
19 the division of labor. It is the mar-
20 ket economy or capitalism with its
21 political corollary (the Marxians
22 would have to say: with its "super-
23 structure"), representative govern-
24 ment.

Lines 12-24. Economic freedom becomes the basis of all freedoms.

1 Those who contend that there is a
2 conflict between the acquisitiveness
3 of various individuals or between the
4 acquisitiveness of individuals on the
5 one hand and the commonweal on
6 the other, cannot avoid advocating
7 the suppression of the individuals'
8 right to choose and to act. They
9 must substitute the supremacy of
10 a central board of production
11 management for the discretion of
12 the citizens. In their scheme of the
13 good society there is no room left for
14 private initiative. The authority is-
15 sues orders and everybody is forced to
16 obey.

Lines 1-16. The system of righteousness must degenerate in practice into tyranny.

Mises's Application Of Occam's Razor

Mises in the foregoing quotation makes clear that men who speak of "just prices and wages," and of a society founded on Righteousness (and therefore a Kingdom of Righteousness) speak of something which does not exist in any rational sense as they use the terms.

We interpret Von Mises as follows:

1. That the Kingdom of Righteousness proclaimed by the religionists is something different from the combination of freedom plus the Sixth, Eighth and Ninth Commandments in the Decalogue. They suggest something more and so Moses is being outdone in regard to justice and righteousness;
2. That those who talk of justice and righteousness seek to de-motivate men from the pursuit of their own values, and substitute something else;
3. That the pursuit by each man of his own values does not de-harmonize society, but integrates it. It is only the pursuit of his own values by violent and fraudulent action which disturbs society.
4. That to object to each man pursuing his own interests, by buying on the cheapest and selling on the dearest market, does not tell a man *positively* what he must do. If he is not to act thus, then how should he act? Give everything away? Or go *how far* in that direction? Obviously to oppose a "market economy" does not tell positively what the *supposable* better economy will be. The advocates of justice and righteousness leave the rules of economic conduct completely in doubt.
5. That any other principle than the "market price" will result in there being more demand than supply, which will require rationing; or vice versa in more supply than demand, because the efficient producer is not permitted to lower his price as much as he can and should. In neither case is the new principle of righteousness, which is proposed as a substitute for the market, defined and formulated in a way that it can be heeded.
6. That if buyers and sellers no longer act voluntarily (without coercion in a free market system), then the substitute must be some *coercive* system applied by the government. This means some form of Collectivism; at least, as a minimum, interventionism.
7. That the justice and righteousness of medieval society in the Thirteenth Century is not impressive.

8. That so-called *just prices* and *righteousness* tend to produce a static, unprogressive society.

9. That *just prices* and *righteousness* mean different things to different persons. There is no agreement among men on economic justice or righteousness, nor is agreement possible.

10. That price changes are salutary to society; as an example, farm product price changes which have forced men off farms have been beneficial to society.

11. That so-called justice and righteousness must end up in nothing else than crass tyranny by the government; or if not by the government, it is nevertheless tyranny no matter by whom it is administered.

12. That the advocates of *righteousness* address themselves to the wrong people; they address the business man, whereas they should address the consumers, because in a free economy it is the consumers who control the direction of economic activity and who consequently must be guilty of causing or permitting the injustice and unrighteousness. But to tell consumers what to do and what not to do is tyranny — coercion.

13. That economic freedom underlies all freedoms, and is not separable from other freedoms.

14. That whoever declares that there is a real conflict between individual welfare and group welfare must be an advocate of recourse to coercion and consequently tyranny.

When all the foregoing is taken together it is obvious that Mises is a modern Occam who has cut the ground out from under the fiction of a certain kind of righteousness, as Occam cut the ground out from under the prevailing Realism of Scholasticism. This righteousness which Mises has analyzed turns out to be a spurious and pseudo righteousness. Words!

The Need Of Occam's Razor

We now ask: What are the *just* prices and wages that the Christian Labor Association talks about? And what is the Kingdom of Righteousness that Rev. Peter Van Tuinen talks about in

God-Centered Living, published by the Calvinistic Action Committee? And what is the content of the whole program of the social gospel? And what is the substance of the ideas of *sociaal en economisch gerechtigheid* (social and economic righteousness) talked about by the Anti-Revolutionary Party? Are the ideas of the Christian Labor Association, The Calvinistic Action Committee, The Anti-Revolutionary Party, or the advocates of the social gospel in any sense *real*, or in any sense an addition to everyday political interventionism? Do these groups add any substance whatever to the idea of just prices and wages, or to the idea of general economic righteousness?

The answer to this question must unhappily be negative. These groups add nothing except that they do use nice words, *just* and *righteous*. But the words really mean nothing that is good. They are phantom words. They are creations of human imaginations. The men who employ these terms under the illusion that they signify some kind of morality or virtue are themselves as deluded as were the Scholasticists of the Middle Ages. These modern men believe that the words *Christian*, or *Biblical*, or *just*, or *righteous* mean something, but they do not define the terms so that they mean anything. It can be declared without fear of successful contradiction that the program of the Christian Labor Association is *not* founded on justice or righteousness; *nor* the program of the Calvinistic Action Committee; *nor* the platform of the Anti-Revolutionary Party; *nor* the program of the social gospel. All these

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movements are subject to the basic criticism of William of Occam. They assume something exists and has reality because they coin a general term and apply it, and give the impression that what they think they mean is a good thing. They live in a world of *words*; not a world of *reality*. They have again in this modern age perpetrated the colossal and obvious fallacy of begging the question. They assume the very thing that needs to be proved.

**Mises's Critical Analysis
Does Not Apply To
Historic Christianity**

No part of the adverse criticism by Mises applies to the historic Christianity which is professed by PROGRESSIVE CALVINISM. We have defined neighborly love in a *strictly* Biblical manner (see Feb. through May, 1955 issues of PROGRESSIVE CALVINISM), and that definition completely frees us of any of the criticism by Mises. We are willing to accept the Law of Moses, exactly as it is consistently defined in Scripture, as our ultimate standard. When we do that, we define *justice* and *righteousness* scripturally, and then the terms have not only a completely definite meaning, but also represent the highest earthly values. But there is no more relationship between our idea of justice and righteousness and the idea of the Calvinistic Action Committee or the Anti-Revolutionary Party in the Netherlands than there is relationship between beauty and smallpox.

fn

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"Deafness" As A Defective Explanation Why You Cannot Hear!

(Continued from October issue)

Some of our readers may have thought when they read the October issue that we were defining Occam's Razor somewhat differently from what is usually done. Yes and No.

Occam's Razor (in Latin) reads as follows: *Entia non sunt multiplicanda praeter necessitatem*. This can be translated several ways: (1) entities [ideas, in order to explain something] should not be multiplied beyond necessity; (2) do not make an explanation more complicated than necessary; or (3) do not shift to abstract terms when trying to explain something specific.

In order to explain what Occam meant when he argued against multiplying *entias*, or entities, we give a simple illustration. I am conversing with a man, but suddenly he makes a strange remark. He does not talk sensibly in response to what I said. His wife says: "John does not hear well, because he is a little deaf." Thereafter, I talk more slowly and loudly, and his answers become sensible again.

But did the wife *explain why* John did not hear? She explained his not hearing by his *deafness*. Now deafness is a *general* term, an *entia*, or entity, in Occam's language. She used that general term in order to explain the specific situation; however, it does not *explain*. It was against this type of explanation or reasoning that Occam argued. He objected to the common practice of medieval theologians who used an abstract term (such as *deafness* in our illustration) in order to express an abstract idea which was then used as a presumed explanation of something specific.

This husband, John, was not deaf *because* he suffered from deafness. If John cannot hear, it is *because* there is something wrong with John's hearing anatomy and physiology. Imagine modern doctors taking care of hard-of-hearing patients by abstractly discussing the idea of *deafness*, rather than applying the laws of anatomy, and physiology, hygiene and pathology of the ear, and working on those specific realities!

Here is how we understand Occam: he said in order to solve a specific problem, *do not construct a general idea* (that is, do not multiply "entities") *in order to explain that specific problem*.

Now, what *deafness* is as an imagined explanation why people cannot hear, the modern term of *righteousness* is as an imagined explanation for the cure of the ills of modern society. The modern term, righteousness, as a mere term no more explains how to eliminate poverty in a capitalist society (poverty being an undesirable ailment of any society) than the use of the term *deafness* explains the bad hearing of a man.

Righteousness — that which the Christian Labor Association and some of the members of the Calvinistic Action Committee, and others talk about — is specifically *included* in the Ten Commandments or it is something *added* to the Ten Commandments. If righteousness consists of exactly what is included in the Ten Commandments, then *righteousness* means something definite and then for us Occam's Razor does not apply. But if it is something added to the Ten Commandments, then for us Occam's Razor does apply; because then *entities* have been multiplied. The Ten Commandments are not abstract; they are specific. Any shift from the Commandments to an abstract term as *righteousness* is most unfortunate for the Christian church.

PROGRESSIVE CALVINISM bases judgments regarding *righteousness* solely on Scripture. There are many people who consider that their ideas are more noble than that, because they base their judgments regarding righteousness on something more than is spelled out in the Commandments. They *add* something. On what they add we think a clean stroke of Occam's Razor is needed. What we quoted last month from Von Mises's *Human Action* shows how disastrously wrong the prevailing religious ideas are about "economic righteousness."

Christ, in the Sermon on the Mount, called attention to grievous misinterpretations of the Decalogue, but He was emphatic that He had not come to add anything new to the Ten Commandments. He added no *entities* which could not be found in the Ten Commandments.* He certainly added nothing that remotely re-

*See PROGRESSIVE CALVINISM, April 1955, pages 85-112; May 1955, pages 113-144.

sembles what the Social Gospel means by justice or righteousness or what some people in the Christian Reformed church mean by those terms.

Occam's Razor is sometimes called the *Law of Parsimony*, that is, "economy of assumption in reasoning." That emphasizes economy or simplicity. Lack of economy in reasoning is not a fallacy as such. Occam did not want economy in reasoning for economy's sake; he was attacking a genuine fallacy, the making of a *certain kind of assumption*, an assumption which was unnecessary and meaningless, namely, that universals (general terms) are real explanations of specific problems.

The correct description of much modern so-called Calvinism is that it is nothing more than a revival of the fallacy that corrupted Platonism in its day and the scholasticism of the Middle Ages — the fallacy which Occam shattered. To repeat the fallacy today is to manifest a form of intellectual degeneration.

We submit that *unrighteousness* (or *injustice*)* must consist in something specific, namely, one or more of the following:

1. Lack of liberty, that is no freedom to pursue *your* own values, or no freedom for others to pursue their values; plus
2. Injuring the neighbor, by
 - (a) Parental neglect (the Fifth Commandment)
 - (b) Violence (the Sixth Commandment)
 - (c) Adultery (the Seventh Commandment)
 - (d) Theft (the Eighth Commandment)
 - (e) Fraud (the Ninth Commandment)
 - (f) Covetousness (the Tenth Commandment)

Having defined *unrighteousness* (or *injustice*) it is easy to define righteousness as the opposite, to wit: it is (1) liberty and allowing liberty (2) without injuring the neighbor, as outlined in (a) to (f).

*We are here using the terms *unrighteousness* and *injustice* interchangeably.

Righteousness (or justice) is a fragment of neighborly love, namely that fragment which has just been mentioned. If to this fragment you add (1) forbearance, (2) charity and (3) the gospel message in its widest import, then you have the total of *brotherly love*.

The *state* should be founded on righteousness (or justice) **only**.

The actions which constitute *society* should be founded on righteousness, *plus* forbearance and charity.

The *church* should be founded on all those *plus* the gospel.

How well do the various systems for organizing society, namely, capitalism, socialism-communism and interventionism, meet the requirements of being founded on righteousness?

Socialism-communism denies the essential ingredients of righteousness; it denies liberty and openly applies coercion. In practice it has always turned out to be coercive, subversive to marriage, thievish, fraudulent and fueled by envy.

Interventionism "halts between two opinions"; it professes liberty, but it assumes some men are so wise, so good, and so disinterested that they can "regulate" economic life, that is, freely (and wisely!) intervene against legitimate liberty. In proportion as it does that, it is not founded on righteousness.

Capitalism in the purest forms that it has ever manifested itself does base itself upon liberty and the Sixth, Eighth and Ninth Commandments, but modern "capitalism" harbors a grievous systematic sin. This sin is shaking confidence in capitalism.

The trouble with the advocates of capitalism is that they, although they are generally right that capitalism is a far better system of organizing society than any other, still do not understand or admit that capitalism *as presently operating* systematically violates the Law of God, or if they understand that, they have no intention of giving up that sin. That would be inconvenient and would disturb vested interests. Rich and poor in the United States are determined to keep the "sin" to which we refer. fn

Purpose Of This Issue— Exposing The Sin Of What Is Called "Capitalism"

PROGRESSIVE CALVINISM favors *capitalism* as a system of economic organization which helps *everybody* the most, the poor and weak as much as (in fact relatively more so than) the rich and the strong.

But we do not approve of capitalism in the sense that most people think of capitalism. We favor capitalism only in a special sense, namely, in the sense that the Law of God *should apply to everything in life*.

Capitalism, as we think of it in America and the Western World, has a sin which stains its name and blights its prosperity, namely, systematic fraud and theft.

The ironic thing is that this sin is not really a capitalistic sin, but an interventionist sin. What people think is capitalism today is really a combination of capitalism and interventionism. The interventionist part of this hyphenated capitalism-interventionism is the sinful part. But unfortunately the capitalist part is being blamed for it.

Many people who consider themselves pure capitalists and do not wish to be known as interventionists, nevertheless heartily approve this sin. fn

Progressive Calvinism's Definition Of Capitalism

On page 303 of the October 1957 issue of PROGRESSIVE CALVINISM, four systems for the economic organization of society were listed: (1) capitalism; (2) socialism and/or communism; (3) interventionism; and (4) righteousness.

PROGRESSIVE CALVINISM in the past three years has provided readers with ample evidence that we are opposed on both ethical and economic grounds to socialism-communism and also to interventionism.

The contents of the October issue will also have made clear that we completely reject an economic society founded on "righteousness," when "righteousness" is as meaningless and iniquitous as was shown in the quotation we took from Ludwig Von Mises's *Human Action*, under the title "Righteousness As The Ultimate Standard Of The Individual's Actions." In proportion as a reader studies carefully what we quoted from Mises, he realizes that the talk about "righteousness" is crass self-deception or hypocrisy. The people who talk about "just prices," "just wages," and "a righteous society" are merely prattling words. There is nothing in what Mises wrote in the material we quoted with which we disagree. We despise as much or more than he does the kind of a "righteous society" which is intended by the Social Gospel and which he has unmasked. In fact, the "righteous society" that the social gospelers talk about is as much a fiction and as ridiculous as a large part of the philosophy of the ancient and medieval worlds.

Granting that we reject socialism-communism, interventionism and also "righteousness" as a system for organizing society, an inference that PROGRESSIVE CALVINISM favors "capitalism" as it presently operates is incorrect. Our acceptance of capitalism depends upon the exact definition given to capitalism.

Capitalism is customarily defined as an economic system based upon (1) a *free market* and (2) a system based upon the *private ownership of capital*. That definition of capitalism is satisfactory to us as far as it goes, but it does not go far enough.

To the two characteristics just mentioned we add a third necessary characteristic of true capitalism, namely, that it include a coercive system which forbids and prohibits violence, theft and fraud. (These three evils are forbidden in the Ten Commandments of God. Violence is forbidden in the Sixth Commandment; theft in the Eighth Commandment; and fraud in the Ninth Commandment.) Our definition of capitalism then is:

- (1) a *free market*, plus
- (2) *private ownership of capital*, plus
- (3) the *ethical laws* in the Commandments promulgated through Moses.

Just as the Social Gospel claims for its system the name of "righteousness" so we claim for capitalism the name **righteousness**, if capitalism is defined as we have just defined it.

Economists in their definitions of capitalism have seldom specified the third requirement which we have listed. Omitting that requirement does not imply that they exclude it; *they assume it*. How could there be real freedom if violence were to be permitted; and how could there be private ownership of capital if theft and fraud were to be permitted?

Economists having their eye fixed on the economic aspects have, we believe, neglected the moral aspects of the question. This is a significant omission which has some undesirable consequences. It has resulted in the impression of some people that capitalism is not founded in the last analysis on morality but upon some technical system of economic organization. That interpretation is erroneous. Capitalism if it is to be a "righteous" system for the organization of society, must also be in harmony with what is declared to be morality. Whether that system of morality has an authoritarian base or a rationalistic base, is not of consequence at this point.

Because PROGRESSIVE CALVINISM is a cross-breed publication, midway between the secular sciences of human action on the one hand and the ethics of the Hebrew-Christian religion on the other hand, we have a special interest in how "morality" from a religious viewpoint can be reconciled with the "principles" of economics.

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Modern Calvinism's Ideas In The Field Of Economic Theory; "Mene, Mene, Tekel, Upharsin"!

On the wall of Belshazzar's palace on the night that Babylon was captured by the Medes and Persians, the finger of a hand wrote on the wall, "Mene, Mene, Tekel, Upharsin" (Daniel 5:25), which nobody could interpret except the prophet Daniel. He declared that the words meant: "God hath numbered thy Kingdom,

and brought it to an end; thou art weighed in the balances, and art found wanting; thy kingdom is divided, and given to the Medes and Persians."

Today the handwriting on the wall in regard to Calvinism is equally clear, "Mene, Mene, Tekel, Upharsin." Socialism-Communism, historically the enemy of religion, is at the gates. If socialism-communism overwhelms the capitalist world there will be very little left for some time of the Christian religion. Not that it will fail ultimately to survive; it will; the ethical principles underlying the Christian religion and true capitalism are such that men must *eventually* return to those principles whether they wish or not. The long-time view therefore, in the struggle between communism and capitalism, should be looked at optimistically, but the short-time view may be just the contrary.

The situation in regard to modern Calvinism cannot be described in optimistic terms. It is apparent that Calvinism does not know how to refute the basic arguments of socialism-communism; readers will remember that we are offering money to anyone who can provide us with an argument written by a Calvinist which *logically* refutes socialism-communism. We are not referring to a "refutation" of socialism-communism by quoting some text. Nor are we referring to a pragmatic argument based on consequences, namely, that socialism-communism results in poverty and tyranny. To our knowledge there is no Calvinist philosopher or social scientist who has addressed himself to refuting socialism-communism and come up with the answer. If anyone has, we would certainly appreciate learning to know about it. So much for Calvinism on socialism-communism.

The understanding of Calvinist philosophers and social scientists in regard to capitalism is no better. Capitalism has many faults according to present-day Calvinist philosophers and social scientists, but these men never refer to that defect of capitalism which is its outstanding and stunning moral deficiency. That is not a deficiency which is incidental to modern capitalism. It is a deficiency which is woven into the warp and woof of modern capitalism. It is this moral evil in capitalism which may temporarily destroy capitalism. That moral deficiency has a consequence which sharp socialists-communists constantly attack without knowing or

being willing to use the true corrective. The common man, who does not fully understand the economic situation, no longer has full confidence in capitalism, and feels half persuaded to try something else, namely, socialism-communism. (However, he sees that the consequences of socialism-communism are much less satisfactory.)

Therefore, we write the words, "Mene, Mene, Tekel, Upharsin," in regard to the economic theory of Calvinism; it does not know what is really wrong either with socialism-communism or with capitalism.

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Theft Masquerading Under The Guise Of Efficiency

Suppose I am an employe of a retailer. I have access to the cash register. After working several years I discover that the owner never takes out all the cash; he always leaves a good working balance in the register. It is a greater amount than needed, because the owner knows there should be a reserve available against the most unusual demands. In fact, I conclude that there is \$1,000 extra there all the time.

Then I "reason" with myself and say: "there is no benefit in letting that money remain idle; I will use it myself." And so I take the \$1,000 and invest it. I persuade myself that I have not stolen \$1,000. I am merely using what is not being used. I say to myself: "If the owner needs it, I will restore the money. But do not worry; it will not be needed. My employer is only inefficient in the use of money; I will be efficient in the use of money."

If, unbelievably, the money is needed in the future, then I will sell the investment which I made with the money, and put the new funds back into the cash register.

How appraise my act? The correct appraisal is that I am a defalcator and a thief.

The monetary structure of capitalism is founded on this same principle and is justified by the same "logic."

Scripture says: "Your sins will find you out."

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Origin Of The Immorality Of So-called Capitalism

In former times, or at least as far back as the time of Abraham, the experience of men with *money* was such that the only kind of money which was safe was a metallic money. The quantity of money should not be increaseable arbitrarily at will, and money should not be bulky. For these and other reasons, men chose the metals, silver and gold, as the most satisfactory for use as money. At the very end they settled on gold only.

The problem arose how to subdivide gold into convenient small units. That resulted in coinage. The coinage in turn became a problem, because of cheating by putting base metals in the coins, and because of making the coins slightly under-weight or of chipping or clipping them.

Furthermore, when a business transaction is very large it is not practical to complete it by the use of coins. It is better to accomplish the transaction by means of shipping bulk gold in bars, which is known as bullion. In international trade bullion is the best type of money with which to settle balances.

Gold, whether in the form of bullion or in the form of coins, can easily be stolen. Businessmen therefore had the problem of having vaults for their money. Vaults are expensive and not everyone wishes to spend the money for one. There was one type of business man who would certainly have a vault, namely, goldsmiths. They would need a vault for their own gold because they would constantly be using gold for making jewelry. Goldsmiths would also have the equipment to convert coins into bulk metal (bullion).

The natural consequence of all this was that the goldsmiths became the custodians not only of their own gold but also for the gold of other people. But no one, of course, would give gold for safe keeping to a goldsmith without getting a *receipt*. These *receipts* were given the name of *gold certificates*.

It was not long before merchants who left their gold for safe-keeping with goldsmiths hit upon the idea of taking their receipts in smaller amounts. Assume that a merchant deposited 100 ounces

of gold with a goldsmith. He would then ask for 100 certificates for one ounce each instead of a single certificate for 100 ounces. The reason why he would do that would be that in a business transaction he might buy something for two ounces of gold. All he would then do would be to give two of his gold certificates (each for one ounce of gold) to the man to whom he owed the money. In other words, the receipts for gold became substitutes for the gold itself. The principle of passing out these certificates in business transactions was obviously a significant simplification. All that a merchant had to do was to have his paper receipts (certificates) in his pocket. They did not weigh much and as long as the goldsmith who had the actual custody of the gold was reliable, the receipt or certificate was considered as good as the gold itself.

It was natural that the goldsmiths in the great commercial centers of the world would become the first "bankers" of the business world. At any rate, that is the way the system developed in England.

Over the years the goldsmiths discovered that they were practically never confronted with the problem of "cashing" all their receipts or certificates at any one time. If merchant Jones drew out some gold, merchant Smith would probably put in some. This must have intrigued some of the sharp minds among the goldsmith brethren. Some of them hit upon the bright idea that they could put out more receipts than they had gold. If an individual goldsmith had 10,000 ounces of gold "on deposit" from 200 businessmen, then the natural thing would be for him to have 10,000 certificates outstanding. Suppose, however, that this goldsmith wished to buy, in order to make some jewelry, another 2,000 ounces of gold, but assume further that he had no means of paying for this gold himself. If his "credit" was good he might decide that he could "pay" for the extra 2,000 ounces of gold simply by giving the seller 2,000 of his certificates. In other words, he was giving 2,000 pieces of mere paper for 2,000 honest ounces of gold. He would calculate that he would not be in trouble in regard to the transaction because the 200 merchants who had 10,000 ounces of gold on deposit with him *would never ask him for their 10,000 ounces at one time.*

And so the practice developed of having more certificates outstanding than there was gold on hand.

How should this transaction be viewed? There is only one way to look at it. The transaction was a fraud, a theft, and consequently a violation of the Eighth Commandment which says: Thou shalt not steal.

There is one characteristic of this theft which should be noted. It was not exactly a theft at the expense of another *individual* person, but a theft at the expense of all the creditors. Let us assume that the goldsmith was unfortunate in regard to the jewelry he made with the 2,000 ounces of gold he bought by means of his "certificates"; assume he lost the whole investment. Then assume that on one day all his creditors (those to whom he has given his receipts or certificates) suddenly become suspicious; they appear at one time; and they demand their gold. There is a "run" on this goldsmith, who has been operating as a "banker." What happens? There are only 10,000 ounces of gold and there are 12,000 certificates outstanding. Clearly, each creditor, if treated equally, can get only 10/12 of the gold which he had deposited (or sold) to the goldsmith. He has been defrauded.

When the day came that gold receipts (certificates) were substituted for the original metal itself, then the opportunity was present to increase the quantity of certificates by just signing additional pieces of paper. The opportunity was present to engage in enormous transfer of wealth, that is, to engage in colossal theft. fn

What Causes Depressions? Calamities? No; Sins? Yes

An American citizen, German born, still a young bachelor, explained a situation as follows: in *good* German families a man continues in school until he has a doctor's degree by which time he will be 25 or 26 years old. Then he spends four or five years becoming established in his profession or in business and saves enough money so that he can marry at 30.

But many men are not inclined to wait so long, and they marry before finishing their education, before establishing themselves in their life work, and before they have saved money for setting up housekeeping and for emergencies. A young man may even marry when he has practically no more than employment. He often does

not have enough money to set up housekeeping unless he goes into debt. We wish to consider the consequences of this under certain conditions.

Let us assume that a young man named Brown has an income of \$6,000 a year. Let us assume further that when he marries he also buys a house for \$15,000 with \$1,000 down payment; an automobile for \$2,500 with \$1,000 down payment; and household equipment for \$3,000 with \$1,000 down payment. He will have used \$3,000 of his income to buy these big items and the rest was bought with borrowed money in the amount of \$17,500. The young man's purchasing power that year was the \$6,000 which he earned plus the \$17,500 which he borrowed. Here was a man who was producing \$6,000 worth of goods or services, but who was exercising purchasing power in the amount of \$23,500. By his borrowing as much as he did, he helped make the building industry, the automobile industry and the household appliance businesses boom.

If everybody else simultaneously purchased much merchandise "on time" or "on credit," the "prosperity" would be terrific. There would be a shortage of labor and materials and prices would go up. We would have what everybody calls a *boom*. But could this boom last?

This boom can continue unabated only in case credit is expanded in the second year as in the first. If credit is expanded some but less than the first year, then although the boom will continue, it will be at a reduced rate.

Someone who incurs a debt should pay it sooner or later. This young man in one year's time has incurred a debt of \$17,500. Let us assume that he must make payments in the second year in the amount of \$3,000. He is earning \$6,000. He will be able to make new expenditures of only \$3,000. The rest of what he earns will have to go towards paying off the debt. This "big buyer" in the first year will be a very small buyer in the second year.

In other words, the opportunity that any man has to go into debt can have a great influence towards creating a boom and towards creating an eventual depression. The boom results from his buying by means of credit of a certain kind; the depression results from his obligation to pay his debts under those conditions.

Booms (of the kind known to modern society) are the result of increases in debts of a certain character. Depressions are the result of reducing those debts. The two foregoing statements look at the situation *in total*. They do not consider individuals, nor territories, nor different types of borrowers. It is the total increases or decreases of debts of a certain kind that count.

The foregoing is the basic explanation of what is known as the business cycle — alternating booms and depressions — prevalent in the western world.

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Bankers As Brokers Of Money Versus Bankers As Creators Of Money

Someone who does not accept the foregoing explanation of the cause of the business cycle, namely, the expansion and contraction of credit of a certain kind, may declare that those who extended credit to our young man possessed the credit to give him. They may say that the automobile dealer was rich, or at least the bankers loaned him the money. Similarly it may be argued that the dealers in household furnishings directly or indirectly had the money to loan, and that the contractor who built the house was rich or could arrange to be a creditor.

Clearly, if the man who extends credit gives purchasing power to the debtor *but cuts down his own purchases by the amount that he loans*, then the creditor cuts down his consumption as much as the debtor expands his. Then there can be no boom because what the young man Brown spent in a big splurge amounting to \$23,500 in one year was offset by a reduction in the expenditure of his creditors by \$17,500 plus his own earnings of \$6,000. In that case society as a whole is "even." There is no boom after all.

When the young man makes payments on his debts his creditors can then spend the money or reloan it to someone else and so there will be no reduction in purchasing power in the future years. Consequently there will not be any depression either. The "buying power" will be constant.

In the foregoing set of circumstances the creditors (whether they be trade creditors or bank creditors makes no difference) are looked upon as *brokers*. Whatever extra one man spends is offset

by a reduction in what other men spend. If Jones and Smith save money and put it in the bank and then if the bank loans the money to Brown the banker is the broker who brings the real lenders and borrowers together. The real lenders are Jones and Smith; the real borrower is Brown.

But the situation is altogether different if the banker can loan money which he does not have, but which the law permits him to *create*. Suppose that Jones and Smith each deposited \$5,000 in the bank in the year that young Brown was spending \$23,500. The banker could be a broker of the \$10,000. That would leave \$7,500 which would have to come from somewhere else. Where? Suppose that we all as citizens of a small town (in which Smith, Jones, Brown, the banker and the rest of us live) had passed a law that the banker could manufacture some extra money so that when young Brown needed the additional \$7,500 the banker would *create* the \$7,500 in either of two ways; (1) by printing money, or (2) by crediting Brown's checking account with \$7,500.

In this case the banker is not a broker of money but a creator of money. The law of the United States gives a banker the right to *create* money. It is variations in the quantity of this *created* money which is the systematic cause of booms and depressions.

In order to relate the foregoing to typical practice and to show how it is related to what the goldsmiths originally did we add the following. Suppose Jones and Smith have regular checking accounts in this bank, and are continually depositing and drawing out money, as did the merchants who kept their gold with the goldsmith and obtained certificates. We shall assume that Jones and Smith always leave (combined) a minimum of \$7,500 of their money in the bank. The bank — as did the goldsmith — will be quick to realize that it can loan that \$7,500 to Brown, although the money left in the bank by Jones and Smith was their *reserve* and they had no intention that somebody else would be using it. But Jones and Smith do not know that the bank had loaned out *their* reserve to Brown. It is probable that Brown cannot pay back the \$7,500 *on demand*. If Jones and Smith suddenly need part or all of the \$7,500 and if the bank cannot immediately get the money back from Brown, then the bank is considered non-liquid and temporarily (if not permanently) insolvent. (People

do not have confidence in a bank which cannot pay out *on demand*.) But for a bank to operate as we have outlined is authorized by law in the United States. Booms and depressions are the result of the expansion of credit, according to the practice taken over from the goldsmiths and incorporated in our banking law.

The law governing banking in the United States is a law which implies that it is as moral for a banker to put out more money than he takes in, in the same way as the goldsmith, in the illustration we gave earlier, put out more certificates than he had gold on deposit. fn

Kinds Of "Money"

In the days of the goldsmiths in London, whom we mentioned earlier, their original money was a metal—gold.* We shall call such metal *commodity money*.

When the goldsmiths put out receipts for gold which they had on deposit, they put out a different kind of "money," namely, *money certificates*.

When the goldsmith in our previous illustration put out 2,000 certificates which had no metal backing he was putting out (in our terminology) "fake money." Because putting out fake money can be "successful" as long as those who are given the fake money are willing to accept it, a name has been given to this fake money which we shall also use, namely, *fiduciary media*.

If a law is passed which says that this fake money, this fiduciary media, must be accepted by everyone whether he wants it or not, then this fake money is *legal tender* in the territories over which the particular government has control. Whenever something is declared to be legal tender it can be used in the payment of debts. The creditor must then accept the fiduciary media at its face value even though it does not genuinely have commodity money behind it.

In the *final* settlements in international trade neither money certificates nor fiduciary media are accepted; only commodity money. In other words commodity money (gold) has a universal

*Really, silver and gold; but we are confining this discussion to gold.

value independent of the stamp of approval of a particular government. If in international trade buyers and sellers would be willing to accept substitutes for commodity money at the value assigned by a particular government, then it would only be a short time before all governments would put a fictitiously high valuation on their money.

Booms and depressions do not result from variations in the quantity of *commodity money* or of honest *money certificates*. Booms and depressions result only from the expansion and contraction of the fake money — the fiduciary media, whose fiduciary character depends on a government declaring that it has a certain exchange value relative to commodity money, and making it legal tender.

The terms we are using and the fundamental distinctions which we are here making in regard to the differences between commodity money, money certificates and fiduciary media are based upon the terms and distinctions made by Professor Ludwig Von Mises in his famous book, *The Theory of Money and Credit*.

When the men who developed western capitalism made the decision to incorporate fiduciary media into their monetary structure they made a fatal mistake. They made a decision which authorized fraud and theft.

They did not, it should be noted, make the decision that an unlimited amount of fiduciary media could be put out. If they had passed a law to that effect, the fact that it was a mistake would have become apparent promptly. It would have been a big sin and the big sin would have caught up with society quickly.

Instead the decision was to authorize only a limited amount of fiduciary media, namely, a certain ratio to the amount of commodity money on hand. This in effect was saying that a big sin should be avoided but a modest sin would carry no penalties.

It was inevitable that from time to time there would be unfortunate experiences with the fiduciary media of the goldsmiths, namely, the receipts they issued in greater quantity than the gold they had on hand. A sudden "run" on a goldsmith would result in his bankruptcy.

The natural thing to expect would be that the government would make it a crime to put out more receipts (certificates) than there was gold on hand. The strange thing is that governments have done just the opposite. They have organized a banking structure which made fiduciary media an essential part of the monetary structure. Instead of limiting money to two classes — metal and certificates — they included in legal tender, money, certificates *and* fiduciary media. fn

The Mathematics Of What Causes Depressions

To show how purchasing power changes depending on the source of borrowed money the following calculations are made:

ON THE BASIS OF

	Money Certificates	Partly Money Certificates And Partly Fiduciary Media	All Fiduciary Media
1. Brown Earns:	\$ 6,000	\$ 6,000	\$ 6,000
2. He borrows:	<u>17,500</u>	<u>17,500</u>	<u>17,500</u>
	\$23,500	\$23,500	\$23,500
Bank loans to Brown directly or indirectly through:			
3. Contractor	\$14,000	\$14,000	\$14,000
4. Household Goods Dealers	2,000	2,000	2,000
5. Automobile Dealer	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>
Total Loans	\$17,500	\$17,500	\$17,500
6. Reduction in consumption by depositors of bank whose money is loaned	\$17,500	\$10,000	—
7. Fiduciary media created by bank	—	7,500	17,500
8. Net New Purchasing Power (1 plus 7)	\$ 6,000	\$13,500	\$23,500

The figures show the surge in purchasing power caused by the issuing of fiduciary media. That surge creates the boom.

But as certainly as the surge in purchasing power resulting from the issuing of fiduciary media creates the boom, equally certainly the repayment of the loans and the reduction of the fiduciary media creates a depression. Consider what happens when Brown repays the loan. Suppose he repays it in ten equal annual instalments. What will he be able to buy annually in the next ten years?

	ON THE BASIS OF		
	<u>Money Certificates</u>	<u>Partly Money Certificates And Partly Fiduciary Media</u>	<u>All Fiduciary Media</u>
1. Brown's Income Yearly	\$ 6,000	\$ 6,000	\$ 6,000
2. Annual repayments necessary (for 10 years)	1,750	1,750	1,750
3. Brown's expend- able income	4,250	4,250	4,250
4. Annual Increase in Expendable Income Of The Lenders	+ 1,750	+ 1,000	—
5. Reduction Of Fiduciary Media	—	750	1,750
6. Net Expenditures (3 plus 4)	<u>\$ 6,000</u>	<u>\$ 5,250</u>	<u>\$ 4,250</u>

Whenever loans are financed by new fiduciary media, the repayment must inescapably bring on a depression. That is how God brings home to men the punishment for a sin.

The depression would not have occurred if there had not been the boom. The way to get rid of depressions is to insist on removing the cause of the boom.

Escaping Moses?

There is no more chance of escaping the penalty of fraud in the foregoing illustration than there is a chance of escaping from mathematics. It literally *cannot* be done. The reduction in purchasing power is as inescapable as the expansion in purchasing power.

Therefore, Moses's statement, your sins will find you out, is true whether you sin a little or whether you sin much. The universal idea seems to be that you can "get away" with small sins. You retreat before your sins catch up with you. If that really works, Moses was mistaken.

Another Solution Worse Than A Depression

There are many people, including orthodox Calvinists, who are genuine optimists. They believe that they can "beat the game" and really engage in sin without penalty.

They say: steadily increase the fiduciary media. Never pay off debts created by fiduciary media. Always increase them, but not too fast, of course.

This is the route of inflation which the country is presently following. The basic idea underlying this is that Moses was *wholly* wrong about sins catching up with a sinner. This idea is that the longer and more steadily you sin the surer you will not be caught. fn

The Contribution Of Great Economists To Folly

Gold is not perfect as money. But it is the closest thing to perfect money that we presently know.

Money should be something the quantity of which cannot be manipulated. Although the quantity of gold cannot be manipulated, there have been gold discoveries which have had a big effect on prices — making prices go up and in that way unexpectedly affecting economic affairs; for example, the discovery of the Western Hemisphere by Columbus making available gold from Peru and elsewhere; the California gold rush; the discovery of gold in the Klondike in Alaska; and gold in South Africa.

But the quantity of gold is, everything considered, very stable. The quantity depends on how profitable it is to mine for gold. The cost of mining being controlled by the current costs, the result is that only so much gold is being mined as is profitable. On this basis, the production of gold decreases when gold is not needed in order to keep prices stable, and increases when gold is needed in order to keep prices stable.

The production of gold is usually no more profitable than another business and so it is a humdrum, close margin business. (Presently it is generally unprofitable.)

Some of the world's greatest economists have been conspicuously wrong in some of their ideas regarding money. This is true of both Adam Smith and David Ricardo.

Smith, for example, expressed the opinion that gold was an expensive form of money; a paper currency would cost society less than gold. Then, so he argued, it should be possible to transfer labor from costly gold mining — the gold being used for money — to "productive" purposes; he argued that low-cost paper money would be a genuine social saving.

Smith was unfriendly to Calvinism, but he might well have accepted a basic idea of Calvinism, namely, that man is totally depraved. On the basis of that premise, Smith would have concluded that paper money would eventually certainly be increased practically *without limit* — if there was no high cost restraining it, as the high cost of mining gold restrains the production of too much gold.

Ricardo had similar ideas. He considered gold coins to be an extravagance. It would be better to keep the gold in bullion form and issue *only* money certificates. He did not realize that the money certificates would be restricted to agree with the amount of gold on hand *only if the public could demand the gold and use the gold in place of gold certificates whenever they wished*. If coins were not available, the public could not possibly *know* whether the gold was there or not. Free redemption of gold by surrender of certificates is a vital part of a sound money system.

The logic of Smith and Ricardo was correct in the abstract. They failed to take into account human weakness and depravity. Hence, they were really grossly wrong. The ideas of Smith and

Ricardo indirectly lulled men into complacency about expansion of fiduciary media as part of the monetary structure. They made men unduly trusting in regard to paper money.

Those who have argued from the viewpoint of "social efficiency" have been right that there is less cost in creating a nongold monetary media. But the trifling saving, accomplished (1) by not having a 100% reserve of gold behind paper money, and (2) by using only paper money rather than gold coins as well, does not compare with the staggering penalty of creating monetary dishonesty — by issuing fiduciary media — that is, by issuing paper money not "covered" by gold coins or gold bullion. It is a colossal error to have a monetary structure based on anything except gold and on certificates interchangeable for gold — on demand. fn

Why Governments Have Adopted And Approved The Fraud Of The Goldsmiths

There is an interesting historical question: how did it come about that the dishonesty of goldsmiths (in issuing more certificates than they had gold on hand) became an integral part of the monetary system of England, the rest of Europe, and the Western Hemisphere?

When goldsmiths who took too great risks became bankrupt, the victims were not the common man, but men of large affairs, especially the big merchants. The rich are, of course, no more pleased than poor people are about the loss of money, and so they were undoubtedly vigorous in their complaints. It was demanded that something be done. What was needed obviously was (1) a prohibition against issuing fiduciary media and (2) announcement of penalties for violation of the prohibition — penalties equal to the penalties for theft and fraud.

Strangely, that is not the solution that was adopted.

Instead of prohibiting the issuance of fiduciary media, the government came up with another idea — *regulate* the business of issuing fiduciary media. No "solution" more characteristic of interventionism could have been found. The essence of interventionism is regulation.

Interventionism is the great hope of many modern Calvinists, but they should look at the banking industry as an example of what interventionism means. Banking is the *most-regulated* industry in the United States. It is also the industry already regulated for the longest period of time. Because of that, banking ought to be the ideal industry in the United States. But it is the contrary; although completely regulated, it is the most disturbing industry in the country — the cause of booms and depressions. This is not the fault of individual bankers. It is the fault of incorporating into the law of the land — with the approval of practically all citizens including nearly every orthodox Calvinist — the privilege of issuing fiduciary media, which are really fraud certificates.

The effect of government action has been to aggravate the situation in regard to fiduciary media. By setting out to regulate the issuance of fiduciary media, the government in effect popularized them. A bank could say: "We are regulated; we are operating according to the law of the land; our fiduciary media has government approval." And so today we have "bank notes"/* popular with the common man as well as the big merchants.

There were two reasons why the government encouraged dishonesty rather than providing a penalty for dishonesty. Those two reasons were: (1) the government realized that it could help finance itself by authorizing banks to issue fiduciary media; and (2) the government believed it could decrease the interest rate by legislating in such a manner that the quantity of money would be increased. These motivations were dishonest and hypocritical, or, as a minimum, were folly. Certainly, by regulating — and thereby approving fiduciary media—the government was contributing to a direct violation of the Ten Commandments; it was approving theft and fraud.

Let us consider the government's objective of artificially lowering the interest rate.

Increasing the quantity of money does not lower the interest rate. Even today nearly everybody believes that the interest rate is determined by the quantity of money. A specific increase in the quantity of money will have the very *short-term* effect of lowering interest rates; and vice versa. But for the *long term* the quantity

*Also deposit credits.

of money has no effect on the interest rate. The famous philosopher David Hume (1711-1776) who in his day was a remarkably good economist, wrote as follows (*The Essays Of David Hume*, Grant Richards, London, 1903, page 303) :

Lowness of interest is generally ascribed to plenty of money. But money, however plentiful, has no other effect, *if fixed*, than to raise the price of labour. Silver is more common than gold, and therefore you receive a greater quantity of it for the same commodities. But do you pay less interest for it?

What Hume said was, in more modern language, this simple idea: increasing the quantity of money does not lower the interest rate but only raises prices (that is, causes inflation).

Legislation to lower interest rates usually includes forbidding more than a certain rate of interest. These are the so-called usury laws. Nearly every state has such laws. John Calvin made the mistake of being in favor of such usury laws. He did not understand what determines the interest rate. The principle underlying usury laws is somewhat absurd. You are forbidden to loan money at more than, say 8%. Johnson desperately needs a loan. At 9% you would loan him the money, but the law prohibits that rate. And so Johnson gets no loan at all. Certainly, it is common sense to say that a 9% loan is better than no loan at all. But that is not the theory of the usury laws.

In Japan the prime interest rate for big business is more than 10%. Usury? No. Capital is scarce in Japan. The high rate is perfectly sound economically — *and morally*.

The objective of endeavoring to lower interest rates artificially (by issuing fiduciary media, by usury laws, or otherwise) is itself basically unsound. It is that objective which is behind half the economic folly of the world. Men pass laws to lower interest rates, increase the quantity of money, and in social gospel pulpits thunder against the "money interests." It is folly and claptrap. The economic law governing money rates is eventually as inescapable and as unchangeable as the law of gravity.

The second reason why governments popularized fiduciary media rather than prohibiting it is because they wanted to benefit themselves from the issuance of fiduciary media. What better way for a government which wished to spend more than it was prepared to tax its citizens than to raise money through a subservient banking system which was authorized to issue fiduciary media!

There is a constant struggle by the financial departments of nations to obtain control of the monetary structure. This struggle is going on in the United States at the present time.

Truman, when he was president, insisted that the Federal Reserve Bank "support" the government bond market by keeping money rates arbitrarily low. This was nothing less than attempting to help the government finance itself at the expense of the monetary structure.

When the Republicans came into office in 1952 a competent banker was appointed Assistant Secretary of the Treasury. Realizing the basic unsoundness of the financial and monetary policy which existed he persuaded the new administration to let money rates find their natural level. The money market tightened so fast when no longer artificially managed that the banks felt the pinch almost immediately, the stock market declined, and business sentiment was disturbed. Not having warned the public of the sure consequences of a transition toward making the monetary structure honest and independent of government policy, public sentiment was completely unprepared to accept the temporary and necessary consequences. Within a few months a new program of having a monetary authority really independent and nonsubservient to the government was abandoned.

fn

How God Punishes Theft

God does not reach out of heaven with a long arm and grab a Wall Street banker by the nape of his neck, crack his head against a wall, and tell him to stop putting out "fiduciary media" — crooked money.

Putting out fiduciary media is not the banker's fault, but is the fault of the banking laws of the United States. No banker could compete against other bankers if they were authorized to put out fiduciary media and he was not. If *money* is to be sound in the United States, the laws governing money must be changed so that they conform to the Ten Commandments.

If somebody is to be punished justly for this dishonest "fiduciary media" type of money, then it is everybody who votes.

It may be doubted that God operates directly, that is, illogically, in temporary affairs. A *rational* world requires that consequences be logical. There is no long arm emerging below the clouds to punish us.

A robber robs a bank. He is enriched. But robbing banks does not "pay" eventually. A robber's prosperity is only a flash prosperity. Similarly, theft through putting out fiduciary media does not give permanent prosperity. There is a flash prosperity — known as a *boom*. But, as the prosperity of the bank robber does not last, so the prosperity created by fiduciary media does not last. *Depressions are the logical and well-deserved punishments of thefts perpetrated by means of putting out fiduciary media.*

It is an insult to God to pray piously to Him for employment and prosperity and at the same time blatantly be violating His commandment forbidding theft. Samuel, alleging he was speaking for God, told King Saul:

Hath Jehovah as great delight in burnt-offerings and sacrifices, as in obeying the voice of Jehovah? Behold, to obey is better than sacrifice, and to hearken than the fat of rams (I Samuel 15:22).

Modern Calvinism would be doing better if it heeded that simple statement — obeyed more and prayed differently. On the great *practical* issues of the day orthodox Calvinism is intellectually bankrupt. Most orthodox Calvinists follow the Social Gospel in *practical* matters; this is especially true of intellectuals. fn

(to be continued)

Ludwig Von Mises's New Book: Theory And History*

This book has been sent to us for review. However, what we write now is not adequate as a review, but is only a notice of the appearance of the book.

We have read the book with profound interest and recommend it to all our readers who have or can have an understanding of problems of epistemology.

In economics PROGRESSIVE CALVINISM is unqualifiedly of the Mises school of thought. We consider him the greatest living economist and one of the greatest economists of all time. We do not measure a man by his popularity, but by his originality, by the quality of his work, and by his fortitude.

Mises's greatest book is his *Human Action*. Anyone who has read it will realize that he is more than an economist. He places economics as a specific science in its proper place in relation to the other sciences of human action, and to the natural sciences. Part of Mises's greatness is the comprehensiveness of his thinking and his orientation of economics relative to all other sciences.

Great thinkers finally devote intense thought to problems of epistemology. We think of epistemology as the science that confronts itself about the limits of the human mind. A profound physicist will eventually give thought to how far knowledge of physics can go and he will either acknowledge a limit or not. Further, he will consider the validity of his methodology; how far will his method permit him to plumb the depths in his own particular field. The lower the quality of a man's mind, the more dogmatic and arrogant he will be, and the less he will concern himself with epistemology.

Mises's new book, *Theory And History*, is a book in the field of epistemology. It is a study of what can be known and what cannot be known; it is also a study of the basic difference between the natural sciences and the sciences of human action; it is further a study of defective methodologies and erroneous ideas in the field

**Theory And History* by Ludwig Von Mises, Yale University Press, New Haven, Connecticut, 1957; 384 pages, \$6.00.

of the sciences of human action. Mises considers in his book the "limits of what can be known," and he makes his own original and penetrating analysis, starting with his special field, economics.

* * *

Men are arrogant or humble; and men are intellectually rash or intellectually cautious. In regard to these classifications Mises must be described as rigorously logical and extraordinarily "humble."

The consequence of his "humility" is that Mises heavily attacks the grandiose intellectual allegations of innumerable people. Those allegations and pretenses are shown to go beyond what was known or could be known by such arrogant thinkers. The effect of this critique by Mises is that he cuts conclusions of others down to size or completely shatters them.

If the Christian religion instructs men to be humble and if that instruction is applicable to their intellectual attitudes, then Mises is wholly in that tradition. However, the intellectual pretensions of churchmen and religionists generally come under his critique as unmercifully as others.

So much for the "humility" of Mises's epistemology. The "logic" of Mises is equally forthright. He is a *rationalist* and the achievements of the minds of men are what interest him more than anything else. Human *reason* is, within its eventual boundaries, the ultimate criterion for Mises.

This seems to bring Mises into a head-on collision with the *authoritarian* foundation of the Christian religion. For Mises a statement is not necessarily right *because* somebody declared he was a spokesman for God; for Mises something is necessarily right if it is logically and pragmatically right. He is, therefore, basically an unqualified *utilitarian* in the best sense and he belongs to the great British utilitarian school of thought.

Consider the Second Table of the Ten Commandments. Those Commandments may be considered to be ultimate *because* God gave them. But they may be esteemed ultimate *because* perspicuous reasoning and judgment will also show that they are ultimate whether God formulated them in words or not. In that sense *revelation* and *reason* can agree. For Mises reason only counts. He is

basically skeptical of anything which is alleged on the ground of some *authority*. We ourselves are not distressed by Mises's emphasis on *reason*. We believe that it would be impossible for genuine reason and genuine revelation to disagree. We see no conflict. Where Mises has one leg to stand upon, namely reason, we have two, namely reason and revelation. We are temperamentally unsympathetic to interpretations of Scripture which are contrary to reason. As our readers know, we object to expansive interpretations of Scripture. In the field of ethics we call such expansiveness *sanctimony*, one of the very worst diseases of the Social Gospel.* When the ethics of Scripture are interpreted without stretching or balloonizing what Scripture says, then we believe they are wholly reasonable presentations.

* * *

Mises refuses to judge the *aims* and *ends* of acting men; let every man choose his own purposes, and determine his own values. Mises concerns himself only with *means*. His emphasis is on the question: *Are the means appropriate for the ends aimed at?* If not, they stand condemned. Much of the book is devoted to showing how shockingly wrong people are whose means are so wrongly chosen that they give a result just the opposite of what was intended. Mises's system of thought is, therefore, *internally consistent*. Having modestly limited the range of his criticisms to *means* only, he can make *reason* supreme. His "truth" can therefore properly be autonomous, and need not be based on authoritarianism.

* * *

In regard to "aims" Mises accepts as an axiomatic truth that man is motivated by his own values. He formulates this fundamental axiom as follows:

In the strict sense of the term, acting man aims only at one ultimate end, at the attainment of a state of affairs that suits him better than the alternatives. (Introduction, p. 12.)

*See PROGRESSIVE CALVINISM, January 1957, pages 15-32.

A popular but less-satisfactory formulation of this principle is the idea that man seeks pleasure and avoids pain. This is customarily condemned as hedonism or eudaemonism. As Mises has formulated this basic premise in the foregoing quotation we see nothing wrong with it. Furthermore, it is not "sinful selfishness" for a man to have the aim of "attaining a state of affairs that suits him better than the alternatives." Elsewhere Mises formulates the idea as follows:

Since action invariably aims to substitute a state of affairs which the actor considers as more satisfactory for a state which he considers less satisfactory, action always aims at profit and never at loss.

* * *

Another basic idea in the book is that one method is suitable for investigation in the natural sciences, a method concerning itself with *causality*; but that method Mises declares (rightfully, we are sure) to be inappropriate in the field of human action. In the field of human action we are dealing with *purposes*, not causes. These purposes are in philosophic language called "final causes." They are a cause only because the *purpose* was of a character to induce a man to try to *cause* that purpose to be accomplished.

This distinction between *causality* and *final causes*, the reason for the basic difference between the *natural* sciences and the sciences of *human action* results in a convincing rejection by Mises of the pretension of obtaining valid conclusions regarding the sciences of human action by means of the methods of the natural sciences.

* * *

Mises's thinking is anti-socialist and in favor of freedom. His book is full of strictures regarding the fallacies and absurdities of socialism.

* * *

Mises is not sympathetic to the Christian religion. But he is not more hostile to the ethics of the Social Gospel than we are. We consider the ideas underlying the *ethics* of the Social Gospel to be unqualifiedly evil. We gravely regret that the *ethics* of the Social Gospel are almost universally also the *ethics* of orthodox Christians. That calamitous fact may eventually result in some Dark Ages for Christianity unless Christians change their thinking.

Mises's ideas can be and should be more useful for the Christian religion than the ideas of any other living thinker, whether Christian or agnostic. If the Christian religion will universally abandon its non-Christian Social Gospel ethics it can probably be saved from doom.

* * *

Mises is a modern Occam. He shatters the general concepts (universals) with which the present-day economic world deludes itself, in the same manner that Occam shattered the general concepts (universals) of the Middle Ages. See his pages 250 and following.

* * *

It is possible — probable — that this book will appear difficult, or extreme, or even unreasonable to honest and good readers. They may not know why. The reason will be that the structure of Mises's thinking is *wholly* different from prevailing popular thinking. There was a day when Mises seemed to us maybe illogical and certainly extreme. But we have finally understood the whole framework of his thought and now what he writes appears to us to be moderate and, in economics, unassailable. It is hard to have an open mind; it is hard even when one has an open mind to appraise correctly what is really wholly different and original.

If one wishes to read a book in the difficult and fundamental field of epistemology, then this book should be read. It is a very enlightening book written by a great thinker — a genius. fn

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Our Thirty-Sixth Monthly Issue

This is the thirty-sixth issue of PROGRESSIVE CALVINISM. We have finished three years of existence.

Subscriptions

Subscriptions are on a calendar year basis, and 1957 subscriptions expire with this issue. We do not wish to send *regular* copies to nonsubscribers and our practice is to remove from our list those from whom we do not hear rather promptly. Resubscribe *now*. The subscription rate is only \$2.00 a year.

Two questions may be asked: (1) what do we get for our money; and (2) how should this publication be classified?

What Do We Get For Our Money?

For the two dollars you get a monthly magazine of thirty-two pages. In a year's time you have the equivalent of a book of 384 pages. You will seldom be able to buy a "book" of that size for \$2.00 in this era of inflation.

How Should This Publication Be Classified?

But ignoring the quantity of reading material that you get, consider the contents. This publication has four characteristics:

1. It is a self-critical publication;
2. It is not "conservative";
3. It aims at tieing in well with modern science; and
4. It is opposed to the popular ideas of modern "Christianity."

A self-critical publication: We are not criticizing Christian Science, Methodism, Catholicism, Arminianism, Mohammedanism, Shintoism or any other religion. It would be difficult for us to "correct" Mohammedanism or Christian Science or Methodism. We are, instead, working (1) on ourselves; (2) on the members of the denomination to which we belong; and (3) on the family of denominations which constitutes Calvinism.

We are constantly re-examining our principles. We are open-minded about correcting ourselves, and we shall be glad, in private conversation or in public discussion, to expose our views to direct

criticism. We get some mail attacking our *persons* and our *motives*; not much good will come from that. We do welcome carefully-prepared evidence and carefully-reasoned argument against our *ideas*.

In regard to ideas of members of the denomination to which we belong, we have developed sufficient dissent about some trends in their thinking, so that we look at its future with misgivings. We have found it an unpopular task to raise doubts about trends in the thinking of prominent men in the denomination.

In regard to Calvinism generally, we look at its impressive history (not untouched by evil, unfortunately) and compare that with its present influence and prestige. Our conclusion is that Calvinism may have cut a wide swath in its hey-dey, but that it is unimpressive and uninfluential now.

There is, it should be noted, a significant difference between the ideas of original Calvinism and the ideas of present-day Calvinism. We think that that difference explains the difference in prestige. We ourselves are what geneticists would call "throw-backs"; we are far closer to 17th century Calvinism than 20th century Calvinism; we are, for example, genuinely comfortable about Puritanism, once an important expression of Calvinism. We do not apologize for it at all. In the denomination to which we belong a favorite position for members to take is to disclaim real sympathy with Puritanism as not having been broad-gauged Calvinism.

Not a conservative publication: Neither liberals nor conservatives confidently accept us as belonging to their group. The liberals are unsympathetic to us; mail we receive indicates that. These "liberals," although they may be orthodox in their theology, are commonly "liberal" in their ethics. They have not only accepted the *ethics* of the Social Gospel, but are also becoming bold about criticizing anyone who does not accept the ethics of the Social Gospel. They are not promoting their ethics as being what they are, namely, *second hand* ideas borrowed from the Social Gospel; as such, the ideas could not be successfully promoted; they are, instead, promoting the acceptance of ethics essentially the same as the ethics of the Social Gospel under the banner of "brotherly love" or "neighborly love." "Love" is their theme song. When you

hear or read prattle about "love," it is worth "Stopping, Looking and Listening."

The attitude of the conservatives toward this publication is different from that of the liberals (which has just been described), but it is hardly favorable. They are partially right that we are not really one with them. One reason is that we are more conservative than the conservatives themselves. Nor do we really wish to be known as "conservatives"; the conservatives in several instances accept as gospel various ideas which have come down as delivered by some person recognized as an "authority." Our examination of those ideas has made us skeptical of the complex *superstructures* which those "authorities" have builded on what Scripture teaches.

We disagree seriously with both liberals and conservatives in regard to their acceptance and use of "general ideas" and of abstract terms to designate those general ideas, terms such as Common Grace, Brotherly Love, Welfare of the Church, etc. Usually, there is a very bad intellectual habit and a very subtle logical fallacy involved. This appeal to and use of general ideas is especially common among the ethical liberals.

Those "general ideas" are, in our opinion, sometimes mere words; that is, *they add nothing to what had much better been kept simple and specific*. Sometimes they are more than mere words; then the idea involved *adds* something beyond what Scripture teaches. Or the same old word, if the old word is retained, takes on a new meaning, but the meaning is not specific, singular or univocal; instead the meaning is vague, varied and equivocal. (As an example, see the next article.)

In a broad sense we are simplifiers. We have come to distrust all general ideas. We are Old-Testamentish, that is, we are specific. The Law of God is not general. We disagree when the specific Law of God is converted into *general* attitudes. The Law of God when used as a general term is a collective term for *individual* laws. In the New Testament the general term, brotherly love, is *always* interpreted historically according to the *individual* statements of the Decalogue.

In short, we are, in the field of ethics, a *Law of God* publication, rather than either conservative or liberal. Any super-

structure of ethics beyond The Law we consider harmful for the future of Calvinism and the Christian Church as a whole.

We tie in with Modern Science: John Calvin had a singularly lucid mind, but we dissent when Calvin is quoted today as the last word in political, social and economic affairs. There is no conclusive evidence that Calvin was a great statesman, or great economist, or that his ideas on social questions should be considered authoritative today.

We are not undertaking to say (1) exactly what the modern *natural* sciences can contribute to a better understanding of the application of religion to life; nor (2) exactly what the sciences of *human action* (dealing with the means adopted by rational men to attain their aims) can contribute to a better understanding of the application of religion to life. But if someone declares that the correct conclusions (whatever they may be) of the Sciences of Human Action have yielded nothing new of value for Christian ethics since the days of John Calvin, then we dissent. To the contrary, we believe that the science of economics, *which is fundamental among the Sciences of Human Action*, has some very large contributions to make to the application of the ethics of the Christian religion in modern life.

As far as we know, in no other publication are the findings of the science of economics being applied to help interpret the application of the ancient principles of Scripture to the modern complex world. Even if ideas in PROGRESSIVE CALVINISM are not in the view of some readers or would-be readers correct, why not examine carefully from month to month a publication which does aim to harmonize the conclusions of the modern sciences of human action with the ancient principles of morality.

There is no conflict between the great principles of the Decalogue and the most rigorous modern economics. They fortify each other.

Against the Social Gospel: We are opposed overwhelmingly and completely to the Social Gospel. We consider the Social Gospel to be worse than "wine, women and song"; than dancing, card playing, theater-going. We consider the Social Gospel worse than violence, tyranny, gestapos, Siberian camps, dictators, brain washers and all the rest.

Our hostility to the Social Gospel stems from this fact: it pre-

tends to be the Christian religion, including Christian *ethics*. But it is a hypocrisy, a wolf in sheep's clothing. It would be bad if it were merely bad. It is far worse to be bad, but also to promote what is bad as being the essence of the Christian religion, the ideal of brotherly love.

The ethical principles underlying the Social Gospel are identical with the ethical principles underlying Marxian socialism. The external manifestations may appear somewhat different but the principles themselves cannot be distinguished as being different. The *effects* of socialism can be clearly seen by everybody who is honest—increasing unhappiness and loss of well-being. But by important segments of so-called orthodox Calvinism, socialism has become equated with Calvinism, for example, the members of orthodox Calvinist churches in The Netherlands who have become aggressive socialists by helping to organize the Labor Party in The Netherlands (*the Partij van den Arbeid*, which is socialist in its principles).

The Calvinist churches are, in fact, generally ineffective against the ethics of the Social Gospel and the ethics of socialism. They do not know what texts to quote in reply, and they have never known the logical arguments against socialism.

What is even worse, the Calvinist churches do not know what sin, as a leprosy, clings to what passes today for capitalism. In a long life the writer has never heard one criticism by a Calvinist philosopher or social scientist of a notorious and ruinous sin of "capitalism," which if the church had understood it, it could never in good conscience have condoned. In fact, most Calvinists are heartily in favor of this sin. They think it promotes prosperity, although it does just the reverse *eventually*, because sins have a way of being found out. (See the November 1957 issue.)

A religion which is arrogant in its vaunted intellectual approach but whose intellectuals are not able to analyze critically and correctly the ethics of either socialism or of capitalism is a religion which is intellectually bankrupt.

There will be no great future for Calvinism, unless it returns to first principles, unless it becomes militant again (in just the opposite direction of its present militancy), and unless it becomes intellectually respectable again.

Presently, much of Christianity as currently taught is adequate for patients in mental hospitals, for down-and-outers, for the "underdeveloped nations," for those temporarily undergoing mental shock who need an anchorage, and for those educated to it but who have never critically examined it—but for many of the rest of mankind the idea of becoming a practicing Christian appears an absurdity.

We believe it should be worth two dollars of your money a year to explore what is presented in PROGRESSIVE CALVINISM. It is practically necessary to read the earlier issues in sequence in order to understand and to read easily the current issues. Paperbound copies for the years 1955, 1956, (and shortly) for 1957 are available at \$2.00 a year. The current subscription in 1958 is also \$2.00. For eight dollars you can buy three bound books and a subscription for the coming year.

fn

An Error Of A Kind Which William Of Occam Attacked

(See the October and November 1957
issues for data on Occam)

Christian ethics can be improperly "complexified" from the best of motives. A case recently came to our attention.

Christian ethics are, for us, the Second Table of the Law of Moses, *rightly understood*; that and *nothing more*. We dissent when anything is added to that Law.

A friend recently heard about a controversy in a particular congregation. Alarmed, he asked a question: "Are the disputants considering the *welfare of the church*; should they not drop the matter for the welfare of the church?"

We pondered that question. We concluded that there was no proper affirmative answer possible. The *welfare of the church* is an abstract idea superimposed on *The Law of God*; it is an *entity* or idea presumably explaining or justifying some action or nonaction. The word used in the foregoing, to wit, entity, is the same as *entia* in William of Occam's famous saying, *Entia non sunt multiplicanda praeter necessitatem*, which translated reads,

Ideas must not be multiplied unnecessarily (in an attempt to explain something).

What was being "multiplied" or added in this inquiry or suggestion by our friend?

The original disputants in the case were in disagreement about a particular action. One side said that the Law of God had been violated, namely, one of the commandments, specifically the Commandment, Thou shalt not bear false witness to thy neighbor, or in plainer language, you are forbidden to tell a lie. The other side declared that they had not lied. This specific issue involves the Eighth Commandment. No abstract ideas are involved.

The Law in Scripture is specific and individual. As such it should be sufficient. Why not settle the issue on the facts — was there a lie or was there not? On the basis of any other approach to the problem the great Law of God is not held in honor.

But what was our friend doing? He added a vague general idea, *the welfare of the church*. We ask: what indeed is *the welfare of the church*?

By the nature of his question our friend was adding a presumably new standard, the welfare of the church, for judging this case, in addition to the old standard, the Eighth Commandment. That Law is declared by Scripture to have been written in stone by God himself. How then can it be defective or inadequate? Why add something to it under two high sounding words, *welfare* and *church*.

If it is considered necessary to add to the principles laid down in the *Law of God* then, by implication, the Law is imperfect.

In PROGRESSIVE CALVINISM we consider the Law of God perfect for the regulation of all interhuman conduct. We reject all attempts at adding entities. We do not add an abstract term, *welfare of the church* to the specific rule, Thou shalt not bear false witness to thy neighbor. We soberly repeat after William of Occam, *Entia non sunt multiplicanda praeter necessitatem*.

In the October 1957 issue we called attention to the basic fallacy that Occam was attacking in his famous *Razor*. He was attacking the fallacy of *begging the question*, perpetrated in the form of merely using a *new* name or a *new* phrase, as if that *explained* something. (In the terminology of logicians this fallacy is known as *petitio principii*.) Our friend was perpetrating that fallacy, namely, he was assuming that the "welfare of the church" is something else and more than obeying the Law of God. We are unable to accept the idea that the "welfare of the church" is something else and more than obedience to the Law of God.

We are also unable to accept the idea that "righteousness" in this life is something else than or more than the Law of God; when the term, *righteousness*, is interpreted in an exaggerated way as is always done in the ethics of the Social Gospel, then we reject "righteousness" as a proper basis for organizing the social and economic order of society. We are opposed to a society organized on the basis of the Social Gospel's idea of "righteousness." (See October 1957 issue, pages 302 ff.)

fn

Destruction From Within

There is a noteworthy characteristic of the Hebrew Old Testament, namely, its *invariable* interpretation of why ancient Israel was repeatedly in trouble.

The interpretation which has come down to us is undoubtedly the interpretation from a limited viewpoint, namely, the interpretation of the prophets only. These prophets could seldom contemporarily have been called the spiritual leaders of ancient Israel. They did not have enough followers and did not have enough influence to justify their being called contemporary leaders. They were a dissenting minority, a sort of conscience protest. A mental review beginning with Moses and ending with Christ gives a uniform result; the prophets were "voices in the wilderness"; sometimes they were persecuted. Consider Elijah, Elisha, Isaiah, Jeremiah, Ezekiel. The prophets were lonely men in their respective times.

The curious thing is the character of their message. Practically always they were prophets of trouble or doom. They were not cheerful about current temporal prospects except there be reform. No one would talk as they did unless they had a reason for being pessimistic, critical and threatening. That reason could have been evil nations surrounding Israel; or the idea that providence was unkind, that is, that the government of the world was by an unfriendly God.

But the prophets invariably sound another note; they blame *internal conditions in Israel*. The troubles of Israel, according to the prophets, stem from within — from internal sins.

One of the reasons for appraising the Old Testament Scriptures as reliable is because of the characteristic just mentioned. Wisdom consists in blaming oneself and not others or circumstances.

There is no reason to believe that today a different principle of interpreting events should prevail.

The modern church is in a deplorable position but the church will do well not to blame those outside of the church, but *itself*. There is good reason to believe that the losses that the church sustains are its own fault. Error within is deadlier than the enemy without.

Similarly, capitalism as a system for the economic organization of society is in a retreating situation. But capitalism, too, will do well not to blame some one else or circumstances for its decline and possible fall. The trouble with capitalism is capitalism itself. Practicing capitalism is in many respects as right in its field as practicing Christianity is right in its field; but it is also true that they both have grave defects which rob them of the confident hope of success.

What both the church and capitalism need is an awareness that the solution of their problem begins within and not without.

In this issue we are continuing our analysis of a basic internal defect of "capitalism." fn

A Revolutionary Difference

We once had occasion to examine financial magazines available in Chicago only in the library of the Chicago Federal Reserve Bank. The magazines there went back as far as the year 1908.

Business opinion at that time (in 1908) was still overwhelmingly preoccupied with the great business panic that had occurred in the previous year (1907). The magazines we examined were full of information and comments on what had preceded the panic, and the panic itself which had stunned the business community.

The psychological effect of the Panic of 1907 induced the Congress of the United States to restudy the monetary and credit structure of the United States. Eventually, a new law was passed in 1913, establishing the Federal Reserve Banking System, intending to prevent any future panic comparable to the stunning panic of 1907.

We remember especially reading in the magazines in the library of the Chicago Federal Reserve Bank about a conference which had just been held (in 1908) by the biggest and most distinguished American bankers of that time.

At that conference they were candid in their self-accusation. They confessed that the panic in 1907 had come upon the country because *they had extended credit too far*. All admitted and regretted it. All declared their resolution never again to extend credit *too far*. I was much impressed. I then thought they had the right solution.

But the sincere and self-accusatory character of their remarks, although they satisfied me then, do not satisfy me now. "Too far!" What is *too far*? With the benefit of hindsight these big bankers thought they knew what was "too far," but would they in the future know what was "too far" when their judgment would have to depend solely on foresight?

Years passed. We read eventually Ludwig Von Mises's book entitled *The Theory Of Money And Credit*. We then made an astonishing discovery. Mises declared there was no such thing as "too far." His declaration was that *any* issuance of fiduciary media, no matter how small, is economic folly; to that we add that it is a sin.

Mises's proposition is revolutionarily new to a typical American "capitalist."

What the big American bankers were doing was merely thinking in a groove. They may or may not have known how fiduciary media* originated with silversmiths and goldsmiths overly eager to make profits. They certainly accepted *without question* the idea that it was proper to issue fiduciary media—dishonest money. They had been educated to the idea and in that tradition. Nobody before them seems ever to have questioned the idea. Fiduciary media, they thought, was not only proper, but even excellent! Only, they admitted as bankers that they should not go *too far* in issuing fiduciary media.

Mises, in contrast, is an original thinker. He is described as having set out in his youth, "systematically to analyze every important economic problem." According to that plan, problems of money and credit would quickly have come under his survey—systematically and analytically; his earliest major book was *The Theory Of Money And Credit* (first published in 1912 in German; American translation, Yale University Press, 1953).

Mises's analysis made clear that the injection into the monetary system of *any* fiduciary media disturbed the calculations of every person planning ahead; that realities were obscured; that over-expansion would inescapably result; that eventually that over-expansion would be apparent to everybody; that it would be necessary to "cut back" in business; that there would then be unavoidably (1) waste, (2) unemployment, (3) losses, (4) distress.

Mises never put it in the following terms, but what he was saying is: *do not sin at all*. What the New York bankers were saying after the panic of 1907 was: *do not sin too much*. Mises shifts back to *principles*, in fact, to the principles of Moses in the Decalogue; the New York bankers were staying with expediency.

It is hard to realize how revolutionary Mises's idea is. Just the "little difference" of *not at all* instead of *too far*. But it is just this that signalizes Mises as a great and original thinker.

* See November 1957 issue, p. 337 for explanation of fiduciary media.

Let us compare Mises's ideas in regard to economics to Newton's ideas in regard to the Laws of Motion. Newton made two simple statements:

1. Objects which are at rest tend to stay at rest unless they are moved by some external force.

2. Objects which are moving tend to *continue to move* in a straight line unless redirected or slowed or stopped by some external force.

Many people may think that they are almost as great as Newton, because they too can formulate the laws of motion. They may say:

1. We, too, know that something at rest will not begin to move unless some external force is applied.

2. On the second item we had thought differently from Newton. We thought that all movement tended *naturally* to slow down and stop, and that moving objects naturally would come to rest without there being any external force. We agree with Newton on his first law, but we are surprised at his second law.

People may think that the difference between their idea number 2 and Newton's idea number 2 is very inconsequential. But this difference in ideas on movement, between them on the one hand and Newton on the other, is really immeasurable. The universe cannot be explained on the basis of what we nearly all think, namely, that it is natural for moving objects to come to rest. Newton observed and reasoned better on that "little" point, and that is one of the reasons why he was a great physicist. The Sputniks that the Russians have put up have circled the earth on the basis of Newton's *second* law.

Similarly, the difference between Mises and the New York bankers is equally great—when Mises says, there should be no fiduciary media; and the New York bankers said, there should not be too much fiduciary media.

Even today in the United States the idea that there should be no fiduciary media—no monetary theft—is practically unknown; or if known, the idea is rejected by most of us. fn

The Common Disaster And Disillusionment

The following is what may be expected:

1. A public sin, theft, conducted on a colossal scale, on the responsibility of all the citizens, in flagrant violation of the commandment of God, is certain to be continued in the United States. The method of perpetrating this public sin is by issuing additional fiduciary media. It is legal to do so.

2. God will certainly punish this sin. If you do not believe in God, then the sin will still be punished by the laws of cause and effect. It is not a question *whether* the sin will be punished, but *when*.

3. Lone individuals can do little more than testify against this public sin. If they do, that will be a "voice crying in the wilderness." They will be supported by very few of their fellow religionists. Those who do not testify against this public sin are co-responsible for it.

4. The first consequence of this sin is self-deception and hallucination in business decisions, terminating in a boom. The fiduciary media, the created money, gives everyone the impression that more demand exists, and also more capital exists, than really exists. Everybody spends more freely for consumption and businessmen spend more freely to expand and produce. Under those circumstances even the wisest of men is confused in regard to what is reality. Everybody finds himself in the position similar to that of a surveyor whose surveying chain has become shorter without his really knowing it; all his measurements are in error. In a boom, it is not merely that a man does not reason correctly, but that the data with which he reasons have subtly been altered. Neither the public nor businessmen are aware of the significance of fiduciary media nor do they observe what the variations are in the quantity of fiduciary media.

5. The boom *cannot* last. The false calculations have consisted essentially of overestimates and overoptimism. Projects cannot be completed. Eventually adequate funds are not available because the monetary law of the country has specified that you may not go beyond a certain point in putting out fiduciary media; not

"too far." Bankers, in order to comply with the law, must then cut back their lending. Everything becomes confused, people become alarmed and discouraged, buyers delay buying, employes are thrown out of work, profits disappear, John Public feels cheated and helpless, everybody knows something is wrong but nobody knows just what. Somebody or something has to be blamed.

6. Practically nobody believes that it was fortunate that we had to come to our senses by what was outlined in number 5, and before we went further. In fact, the principal solution to which the public and its leaders ordinarily wish to turn is to put out even more fiduciary media. The professors in the great universities, sociologists, the do-gooders, social gospellers, the uplifters, politicians, labor union leaders, businessmen and bankers nearly all wish to solve the problem not by getting rid of the sin of putting out additional fiduciary media, but by issuing even more fiduciary media.

7. This is the reason, eventually, of inflationism. The very well informed chairman, presently the head of the Federal Reserve Board of the United States, has publicly declared that he is convinced that putting out more money does not create prosperity. Most people think differently. They think that the printing press can create wealth. The Chairman's voice is a voice crying in the wilderness. The only dispute among most people is how fast to inflate — whether to put out fiduciary media slowly or rapidly. That is the only real monetary argument actively disputed in America today.

8. The speed of inflationism — the issuance of fiduciary media — is never constant. Inflationism usually begins slowly and only gradually picks up speed. Eventually it goes so fast that the printing presses cannot keep up with it, even though zeros are added hourly to the figures on the money being printed. The reason is that the minds of men move faster than the printing presses. The public reduces its estimate of the value of money more rapidly than the printing presses can increase the quantity of money. When that stage is reached practically everybody is ruined. The stable fraction of the population is sure to be hurt the worst, because of the basic principle: "*in an inflationary market conservative people never do well.*" Only the reckless "shoestring" operators can come out ahead.

9. Having been ruined, men lose confidence in capitalism, representative governments, parliaments, congresses. In desperation they turn to a "strong man." This is the road that the French people travelled in the French Revolution; the French Assembly put out a lot of *assignats* and confused everything; then Napoleon took over and put an end to the issuance of fiduciary media. One hundred and fifty years later the German people travelled the same road; the socialist Weimar Republic of Germany, after World War I, as do all socialist governments, inflated, that is, put out more and more fiduciary media. That course cannot continue to be effective without increasing the dosage. They increased it steadily. Eventually the inflationism was so bad in Germany that wives would go out at noonetime in order to get the half day's pay of their husbands working in the factory, so that it could be spent immediately before the value of money went down still more. Finally, when everything had collapsed in confusion because of the issuance of more and more fiduciary media, the Germans said: Give us a strong man instead of this kind of government. Hitler presented himself to them as that strong man and the Germans embraced him. It may be predicted that the United States will eventually go the same route in *proportion as it inflates*.

10. The alternative course is to stop inflating and let a depression run its course. This is bitter medicine. This is what is meant by "your sins will find you out." Nobody wants unemployment, reduction in prices and wages, losses, foreclosing of mortgages, dispossessions. We cling to the illusion that we can sin and get away without a penalty. The labor union leaders, who do not understand what it is all about, set themselves up as the champions of the unemployed and those still employed. The social gospellers thunder from their pulpits that businessmen are iniquitous, have no brotherly love, that they live in idleness and luxury when others are desperate and destitute. The result is that "capitalism" is thoroughly discredited. We need, they think, a *planned* economy or socialism-communism, or a "strong man." Nobody seems to realize that the planned economy which they want cannot be expected to do any better than has been done, but rather worse. The idea must be, although those who recommend it do not understand it, that a *more* interventionist government or a *more* socialist government will put out less fiduciary media than the previous government has

done or authorized. The proposed remedy for the disaster caused by fiduciary media, therefore, is to enlarge the trust in exactly that body which has already betrayed the trust, namely, the government.

11. What will be the erroneous conclusion of everybody at the end of all this? Capitalism has failed; it must be abandoned; instead we must go the route of "planning" and tyranny. The United States is treading steadfastly in just that path that the Germans followed 40 or so years ago. Under slightly different slogans we have adopted the premises which put Germans into the hands of Hitler. It is distressing that most orthodox Calvinists in the United States and in the Netherlands have accepted the basic premises which eventually produced Hitler. This country, one of the victors over Hitler in World War II, has adopted a course which will make Hitlerian ideas the eventual victor over the policies of this country!

* * *

The great factor that jeopardizes the continuance of capitalism in the United States is the prospect of a business depression or depressions. Socialist-communists, social gospellers, interventionists, labor union leaders, both political parties in the United States, and John Public have developed a phobia about unemployment and about depressions. We have created an amazingly productive society which requires that it be an amazingly complex society involving progressively more and more division of labor. When something "goes out of gear" the whole complex society starts falling apart. We do not realize that the only *general* cause that can make that society fall apart is inflationism, the putting out of immoral fiduciary media. We do not realize that if we stopped doing that, we would no longer have systematic booms and depressions, nor as the second alternative unending inflationism resulting in complete collapse. It is not necessary therefore to forecast the impending ruin of the United States. Forecasting is unnecessary. All that one has to do is call attention to the logic of cause and effect and to the invariable prior history of mankind.

The Hebrew Old Testament is full of warnings of impending trouble. The men who issued the warnings were operating on a very simple principle, "your sins will find you out," or in more

fundamental language, cause and effect are not separable, morality being nothing more than a specific application of the laws of cause and effect.

fn

An Inquiry Addressed To The Reformed Journal

We address a public inquiry to *The Reformed Journal*, a periodical of reformed comment and opinion, edited by Professor Dr. Henry Stob, Dr. Harry R. Boer, Dr. James Daane, Professor Lester De Koster and Dr. George Stob, all members of the Christian Reformed church; and published by William B. Eerdmans, Sr., 231 Jefferson Avenue S. E., Grand Rapids, Michigan.

We address the publication because it aims to re-examine and reinterpret Calvinism for the current age. It adopts the position of intending not to be a mere conservative Calvinist publication repeating the old clichés. An editorial staff which undertakes such an ambitious and constructive program will undoubtedly concern itself about the moral principles underlying the fundamental, all-overshadowing ethical issue of the day, namely, (1) socialism-communism-interventionism versus (2) capitalism. This is an issue of *economics*. The *practical* affairs of men turn fundamentally on economic questions, namely, man's relationship to nature and man's relationship to other men. History, sociology, politics, are all fragments of a man's effort to avoid trouble and to maximize welfare. The science that aims to point out how to maximize welfare is economics.

To *The Reformed Journal* we address the following questions:

1. Has anyone on the Editorial Board addressed himself to the problem of public theft on a colossal scale in the form of fiduciary media? What did he say or write?
2. Has anyone on the Editorial Board called attention to the inescapable relationship between this colossal public theft consisting of the issuing of fiduciary media and its eventual consequences, either general business depression or general destruction of the value of money from continued inflationism?

3. If not, has the Editorial Board failed to call attention to this, because it is indifferent to the evils of unemployment, losses and distress?

4. Or have the members of the Editorial Board ascribed the evil of a business depression to some other cause than colossal public theft? If so, what cause?

5. Have the members of the Editorial Board considered that the disrepute into which capitalism is falling is caused by depressions, and that consequently the whole system of society which we know as Western civilization may collapse and capitalism be abandoned in favor of unqualified interventionism (Hitlerism) or socialism-communism?

6. Have the members of the Editorial Board anxiety about saving Western civilization from the steady inroads of interventionism, and of socialism and communism, or is it reconciled that the Western World will be converted to these ideologies as certainly as all the backward nations may confidently be expected to fall into the clutches of communism before they embrace Christianity, *because* the relationships between Christianity and sound practical affairs have not been taught widely enough or effectively by Christian missionaries in the latest 75 years?

7. What have the members of the Editorial Board outlined as a sound economic policy for the political parties of the United States? Or the labor unions? Or the agricultural industry? Or is Calvinism not relevant to these phases of human activity?

8. What are the economic principles of *The Reformed Journal*? Are they capitalist? Are they interventionist? Are they socialist? Or is it loftier than any of these? Does *The Reformed Journal* seek to organize a society on the basis of "righteousness"?

9. What has ever appeared in *The Reformed Journal* in the field of ethics and economics which differs from the program of the social gospel in the field of ethics and economics? (We are not referring to differences in the field of *theology*.)

10. A publication as *The Reformed Journal* must be forward looking; how do you appraise the future? Will capitalism

expand? Interventionism? Socialism? The Old Testament prophets were forward looking. They had definite ideas. A publication as *The Reformed Journal* certainly should be *prophetic*. What causes the evil of general unemployment? More fiduciary media? Overproduction? Underconsumption? What is your correction for that cause?

11. Assume we have another depression. What do you recommend that we then do to alleviate it?

12. If the next depression so alarms the common man (who has been led to believe that the issuance of more fiduciary media will save him from a depression) that he loses all confidence in capitalism, to what do you think the common man will then turn? Have you advised him to what to turn in case we have another depression?

13. In the final analysis a man chooses either (1) for liberty and for "voluntarism" or (2) for interventionism and coercion. The essential characteristic of a capitalistic society is that it is voluntaristic — the members of that society can be free excepting they may not do certain defined and labelled evils. They are also free in regard to charity. Do you favor such a society? Or do you believe that in addition to a man not harming his neighbor he is also obligated to be his "brother's keeper"? If he is his brother's keeper, does that mean that the government should coerce him to be his brother's keeper?

We shall be glad to devote part or all of an issue of PROGRESSIVE CALVINISM to answers to the foregoing questions or answers to any relevant phases of this which you may wish to cover.

fn

The Federal Reserve System As A System Designed To Permit More Theft

The Preamble to the Act creating in 1913 the Federal Reserve Banking System of the United States begins as follows:

An Act to provide for the establishment of Federal reserve banks, to furnish an elastic currency, to afford means of rediscounting commercial paper, to establish a

more effective supervision of banking in the United States, and for other purposes.

The first reason given is "to furnish an *elastic* currency." "Elastic" here means and can mean only one thing, namely, creating more fiduciary media. The quantity of gold is not elastic. The quantity of gold certificates cannot be elastic. It is only fiduciary media which can be elastic. The Federal Reserve System is therefore a system designed to increase public theft and fraud. That, of course, was not the understanding of the creators of the Act, Senator Carter H. Glass of Virginia and others.

They earnestly wished to provide the United States with a better banking structure. What they did was just the opposite; they created a worse banking structure.

These monetary and banking experts did not set out to cure the cause of the disease; they set out only to cure the symptoms of the disease. Prior to the organization of the Federal Reserve system in 1913 the cause of the disease was putting out fiduciary media. Whenever the limit on fiduciary media set by law had been reached, then there was a tight spot, a crisis, and in 1907 there had been a very severe tight spot, a panic. The banking experts of the country had this solution for the problem, to wit: we must not have an absolute barrier beyond which the issuance of fiduciary media cannot go. Our trouble is that there is a limit. We will make the limit elastic.

Behind this program there was an astounding blindness, part of which we shall explain later in this issue. Here was no solution that endeavored to correct the cause of the trouble. It was only a solution which attempted to ameliorate the consequences. To cure an economic society of its disease consisting of a money ailment (too much fiduciary media), the real cure is to eliminate the fiduciary media, and not to increase the quantity of fiduciary media in emergencies, in crises, in panics.

The history of the Federal Reserve Act makes clear that the new system of reserve banking was designed to promote economic stability. In 1952, nearly forty years after the original Act, the then Chairman of the Board of Governors said that the long-run purpose of the System was:

To minimize economic fluctuations caused by irregularities in the flow of credit and money, foster more stable values, and thus make possible the smooth functioning of monetary machinery so necessary to promote growth of the country and to improve standards of living. . . . Credit and monetary policy alone, of course, cannot attain the indicated goal of steady economic progress. But credit and monetary policy is an indispensable element in the achievement of stable progress.

The foregoing is quoted from Chapter 2 of *The Federal Reserve Re-examined*, a study made by the New York Clearing House Association and published in 1953. This study goes on to say:

In its practical administration credit control involves the expansion and contraction of Federal Reserve credit which, in turn affect the money supply and influence the cost and availability of credit of all kinds. The critical questions of the day relate to the considerations which guide the expansion and contraction of Federal Reserve credit and to the methods by which this is accomplished. The authorities now have a large measure of discretion in the exercise of credit policy. Although they are bound by certain statutory duties and requirements, the Act does not prescribe automatic rules of action nor set forth any economic formula for the guidance of policy.

In other words, the Federal Reserve Act provides for great elasticity in making a mistake, a mistake which consists in issuing fiduciary media. It does not aim at controlling the fiduciary media or eliminating it, but making it elastic. In *our* language, sin has been made elastic.

The technical methods for accomplishing this elasticity are three:

1. Variations in the *rediscount rate* (that is, variations in the interest rate);
2. Variations in the *reserve requirements* of the member banks;

3. *Purchases and sales of government securities*; sales of government securities by the Federal Reserve banks tighten the money market, and purchases by the Federal Reserve banks ease the money market.

We shall not at this time go into the technicalities of the Federal Reserve Banking System. The essential idea to remember is that it aims at elasticity and that that elasticity essentially consists in variations in the quantity of fiduciary media.

Underlying the monetary structure of the United States and of the world is gold. The nations of the world may *think* that they are "off" the gold standard, but really they are in error. They have only *declared* that they are off the gold standard and their prices are quoted in their own paper currencies, basically their fiduciary media. But mentally everybody attempts to adjust his thinking by saying to himself: what is the gold price of that currency (as well as the fiduciary media price). It is that financial calculation *in terms of gold* which controls the thinking of all well-informed people. The *quotations* may be in terms of fiduciary media; the *valuations* are in terms of gold or are endeavored to be appraised in terms of gold. The peoples of the world may not be able quickly and clearly to recompute their fiduciary media money into terms of gold money. They may make some serious errors. They may be wrong for a considerable period of time. But eventually all quotations are adjusted as well as can be to some currency measured by gold, or by gold itself.

In the monetary field the vicious doctrine of the late John Maynard Keynes consisted in this idea: to unhinge the fiduciary media of a particular country from relationship to gold. The idea is a mirage. It cannot be attained. It will not work. fn

The Harvard University Committee On Economic Research In Regard To Expansion Of Fiduciary Media

In the years of 1919-1925, there was a committee at Harvard University known as the Harvard University Committee on Economic Research. This Committee made an intensive study of the

business cycle. The members of this committee were highly respected professors at Harvard University.

The Chairman of the Committee was Professor Charles J. Bullock, a distinguished economist.

The principal statistician for the Committee was Professor Warren M. Persons who had developed some remarkable methods for analyzing statistics which could be expressed in the form of *time series*. His methods permitted the analysis of figures in terms of (1) long-time trend, (2) seasonal variations, and (3) fluctuations caused by the business cycle. The result was that various time series could be compared and their sequences in the business cycle could be noted. Some series of statistics turned up or down in the business cycle earlier or later than other series. By watching those series which had early turning points it was possible to forecast what the later series would probably do.

Other distinguished members of this Committee were Professors William Leonard Crum and Homer J. Van Der Blue.

The Harvard University Committee on Economic Research, which as explained was engaged in business forecasting, published a weekly *Letter* on the business outlook. This service was sold for \$100 a year to executives in large businesses.

As a business enterprise the Harvard Economic Service was a success. After several years of operation the service was discontinued and the profits transferred to Harvard University.

The Service obtained its greatest fame from having correctly forecast the short-lived boom in 1919 after World War I and the precipitous collapse in 1920 and 1921.

Aside from its significant success in forecasting, the Harvard Economic Service also taught some pretty good economics. There was constant reference in the Service to certain basic propositions which were important ideas in the mind of Professor Bullock. The ideas were as follows:

1. The new Federal Reserve Bank Act has not solved the business cycle.

2. The new Act permitted a *larger* expansion of credit on the existing gold reserve base than previously. Bullock's idea was that the new Federal Reserve Act provided a rubber band which could be stretched further than the old rubber band. This might go by all kinds of high sounding phrases, such as, greater efficiency of reserves, stabilizing the economy, elasticity of credit, etc.

3. To the foregoing Bullock added a very fundamental idea, namely, that the whole credit structure of the United States would be stretched and stretched, probably over a long period of time, until the limit of the stretch had been reached. During that stretching out process — the creation of more and more fiduciary media — business would appear to be more prosperous than it really was. Further, the vaunted elasticity was an elasticity which existed only while the business structure was gradually utilizing the greater elasticity; but,

4. Once that point was reached — once the more-elastic rubber had been stretched to *its* limit — then the elasticity would again be gone. At that juncture business would have to recoil; indeed, the recoil would come after an unusually long period of self-deception in which a most extraordinary amount of additional fiduciary media had been issued.

The Federal Reserve Act went into effect in the year 1914. World War I affected the situation between 1914 and 1918. Then there was the big boom of 1919. Next the collapse of 1920 and 1921. Then there followed eight years of recovery and a high level of business. The new fiduciary media was "doing its work." The business cycle was not what it previously had been, namely, up two, three or four years, and then down two, three or four years. In a sense it was one long prosperity (except for the temporary collapse in 1920 and 1921). The most normal part of the period was considered to be the middle and late 1920's. Business in the 1920's had been good for so long that it was estimated that the United States was in a new era — an era of uninterrupted prosperity — never another depression!

It looked like Moses had been wrong after all. The increased "efficiency" in the use of gold reserves under the new Federal Re-

serve Act had finally created the millenium, that is, unending prosperity.

But then the country experienced 1930-1934, five years of the worst depression in the history of the United States, a depression as violent and stunning as the boom had been great and long.

There was, in fact, nothing new about it. Moses had taught that small sins had small punishments and large sins, large punishments. In the days before the Federal Reserve Act the booms were relatively small and the depressions were relatively small. But after the Federal Reserve Act, the boom was bigger and longer; the sin obviously was bigger, and the punishment of the sin was proportionately severe.

The Bullock view of the business cycle was an extraordinarily clairvoyant view. It was right for the period 1914 through 1934.

That view is not applicable thereafter because the United States devalued its dollar and *went off the gold standard*. The situation can be described as follows: (1) before the Federal Reserve Act of 1913 there was an average of three years of sins punished by three years of depression; (2) after the Federal Reserve Act of 1913 there was a long spree of 17 years followed by 5 staggering years of depression; and (3) since the United States has gone off the gold standard (1934), the issuance of fiduciary media can be practically unlimited and now the boom can last a long, long time; the prospect is for steady inflation, eventually accelerating to an uncontrollable speed, to be followed by general bankruptcy and collapse of the economy of the United States. At that time people may do one of two things. They may turn to a "strong man" as Hitler was or they may turn to socialism-communism — as an escape from economic depressions. But in the whole history there will be no mention by religious people or non-religious people of the real cause, namely, the real sin — systematic, organized, monetary theft by the issuance of fiduciary media.

fn

The Failure Of The "Capitalists"

According to the Hebrew-Christian Scriptures, if a man sins he will be punished. There is no reason to believe that what is

true for individuals is not true for men collectively. If then the society of the United States collectively perpetrates a huge sin (theft) by means of putting out fiduciary media, then the conclusion should be that such a society will be punished and that the punishment will consist in that society not being prosperous.

But now we are up against a very disconcerting problem. Instead of the United States being afflicted with a depression in punishment for putting out fiduciary media it is instead amazingly prosperous.

The quandary in which the few people who understand the evil of fiduciary media find themselves is really pitiable. They say that the issuance of fiduciary media will have either of two consequences:

1. When there is a cessation of putting out fiduciary media or if there is an actual reduction in the fiduciary media, then there will be a general business depression; or

2. If the United States continues to put out more and more fiduciary media, then there will be more and more inflationism and eventually the dollar will be worthless, society will be disorganized, people will become unstable, they will turn to socialism-communism or to a Hitler type of strong man.

But, astonishingly, instead of either a depression or a runaway boom there is high general prosperity in the United States. Who can argue against prosperity? Who can be a prophet of doom and ruin when everything appears better than before in the history of mankind?

The pitiful position of those who realize the true situation is that they feel silenced. Most of them feel helpless. They say: you cannot argue against fiduciary media when the country is prosperous. We must wait (they say) until the next depression; then people will realize that they have made a mistake, and they will listen to us; at that time we can hope to get a hearing; presently nobody will listen to us; what is the use of talking.

The foregoing, however, is the height of folly. The only people who can be expected to be listened to when ruin overtakes us are those who had declared that the country was following the road to folly, for two reasons: (1) because it is against the

Commandments of God; and (2) because it can be shown by simple logic that the economics of fiduciary media are inescapably contrary to purpose.

The true capitalists in the country (who are the few who understand the consequences of fiduciary media) should realize what is taught especially in the Hebrew-Christain Scriptures, namely, that God is long suffering and that it takes a long time, sometimes generations, for the cup to run over. These true capitalists who understand the evil of fiduciary media should also realize that the slower that fiduciary media are put out, the slower the consequences will be. It may even take a generation or two. However, it might take only a few years.

The only reason why the situation has not got completely out of hand in recent years is because of the restraint put on the issuance of fiduciary media by men as Randolph Burgess, the recent Assistant Secretary of the Treasury and by William McChesney Martin, the Chairman of the Federal Reserve Board. Although these men have never, to our knowledge, basically repudiated the issuance of fiduciary media — and not having done that, they have made a mistake — nevertheless they have been extraordinarily courageous and steadfast in resisting the issuance of a *great quantity* of fiduciary media *rapidly*. They are remarkable men.

When then it appears to be ridiculous to protest against sin, and when then it appears to be futile to warn that the present prosperity will end in a depression or in the complete confusion of society, then those who expect to get a future hearing must testify *now* against the issuance of fiduciary media. They must be prepared to testify maybe for years, and they must give the reasons for their testimony, and those reasons must be logical, or else when the penalty comes home to us all they will not be listened to.

There are, in fact, three kinds of "solutions" following the eventual collapse sure to come because of the issuance of fiduciary media, to wit:

1. Socialism-communism;
2. Hitlerian interventionism; or

3. Retention of a capitalist society *which discontinues the issuance of fiduciary media.*

The first two "solutions" are even worse than the issuance of fiduciary media. The only solution for the better is a *capitalist society without the issuance of more fiduciary media.*

But few will listen after the sad process of degeneration of a capitalism tainted with fiduciary media has run its course, unless those who advocated capitalism without fiduciary media have testified boldly and logically against capitalism putting out fiduciary media.

We ourselves do not think that a protest against capitalism putting out fiduciary media will be effective if it bases its protest merely on the law of God, namely, that the fiduciary media is theft. The circumstances require more than a moral argument. Morality furthermore, as we see it, is not an arbitrary argument but a manifestation of cause and effect. In the final analysis, therefore, the argument against fiduciary media is better based on logic. (What passes for morality is finally nothing more nor less than cause and effect in the field of human action.) Morality and sound principles of human action are identical. We quote again Lord Macaulay: "The principles of morality and farsighted judgment are identical." We might paraphrase that by saying "the principles of morality and [*eventual economic consequences*] are identical."

Solomon said: "Because sentence against an evil work is not executed speedily, therefore the heart of the sons of men is fully set in them to do evil." (Ecclesiastes 8:11). "Sentence" against putting out fiduciary media is "not executed speedily."

The prophets in the Old Testament were nontypical persons. They were out of tune with the times. To be an interpreter of events in this our age carries the same price.

The interesting thing about modern Calvinism is that it has lost its prophetic character. It does not condemn public theft; it does not expect general confusion or collapse; it too, together with the rest of society either approves fiduciary media or is silent about it.

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Socialism's Two Most Effective Charges Against "Capitalism"

The two most effective charges that socialism makes against capitalism are that capitalism (1) causes depressions; and (2) is unjust.

I

The case of socialism against capitalism in regard to depressions is that business cannot be prosperous and stable if there is no *central planning*. The *diverse* plans of businessmen uncontrolled by a master plan of the government is believed to cause business chaos. The idea is that plans of 170 million people in the United States are less intelligent than the one plan of a dictator.

What has been outlined in the November issue and in the preceding pages of this issue is designed to call attention to the fact that it is not the lack of central planning under capitalism which brings on depressions, but a systematic folly — a bad economic practice and a violation of the Eighth Commandment.

What apparently is the position of Calvinist philosophers and social scientists on this question? The answer to that is disappointing. Generally they want more interventionism, that is, more "planning" and more fiduciary media, and they completely ignore the *sin*.

II

In regard to the second charge that socialism makes against capitalism, namely, that it is unjust, on this, too, Calvinist philosophers and social scientists have no answer. The charge of the socialists that capitalism is unjust is usually expressed by the idea that there should be no income (interest, rent, profit) to the owner resulting from his ownership of property. The long and tedious book which constitutes Marx's *Das Kapital* contains a completely erroneous argument that *all income on capital is unjust*.

Because an absurd interpretation was made by theologians for many years in regard to what Scripture says about interest on money, the Christian church long perpetrated the blunder of saying that interest on money was unscriptural. John Calvin ridiculed that idea and declared that interest on money was proper because land rent existed. The argument, as far as it goes, is satisfactory.

But Karl Marx said that a farmer is not entitled to own land and if after farming a farm for forty years he retires, he is not entitled to receive rent at all; that, he said, is unjust and an exploitation of the person who succeeds him on the farm. Obviously, Calvin failed to anticipate Marx's argument.

There are three "impossibilities." (1) It is impossible for capitalism to exist unless *land rent* is acknowledged to be proper and is paid. (2) It is impossible for capitalism to exist if *interest* is not paid on borrowed money. (3) It is impossible for capitalism to exist if *profits* cannot be made. In that sense capitalism is inextricably tied up with what socialism calls injustice.

Now what is the *logical* answer of Calvinist philosophers and social scientists in refutation of that charge of injustice? We are not looking for one or two Scripture texts. What is the *logic* that destroys the argument of the socialists against capitalism on the ground of its alleged injustice?

There is, however, a "solution" for this problem of injustice which is widely accepted among Calvinist pseudo-philosophers and pseudo-social scientists, namely, the solution that the land rent should not be *too high*, and the interest rate should not be *excessive*, and that only high profitability is evidence of *profiteering*. They agree that the "return" on capital must not be *too high*. This is a weak concession to socialism's demand of no return at all. That

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"solution" is worthy of contempt. It is not a solution based on principle but on expediency and degree. Moses nor the other legislators in Scripture ever promulgated basic principles as mere matters of degree.

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The truth is that those fighting capitalism as a system contrary to the principles of morals and religion have uncritically and lightheartedly adopted all the economic teachings of the socialists and communists. Like the Marxians, they ascribe all ills — economic crises, unemployment, poverty, crime, and many other evils — to the operation of capitalism, and everything that is satisfactory — the higher standard of living in the capitalistic countries, the progress of technology, the drop in mortality rates, and so on — to the operation of government and of the labor unions. They have unwittingly espoused all the tenets of Marxism minus its — merely incidental — atheism. This surrender of philosophical ethics and of religion to the anti-capitalistic teachings is the greatest triumph of socialist and interventionist propaganda. It is bound to degrade philosophical ethics and religion to mere auxiliaries of the forces seeking the destruction of Western civilization. (Page 345.)

— LUDWIG VON MISES, Theory and History
Yale University Press, 1957, New Haven, Conn.

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