

Progressive Calvinism

Volume IV

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**NEIGHBORLY LOVE AND RICARDO'S
LAW OF ASSOCIATION**

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- 19 Second paragraph should be numbered 3.
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Fifty-One Words Of The World's Greatest Code Of Laws

(1) *Thou shalt have no other gods before Me;* (2) *nor make any graven image;* (3) *nor take the name of the Lord thy God in vain.* (4) *Remember the Sabbath day to keep it holy.* (5) *Honor thy father and mother.* (6) *Thou shalt not commit violence;* (7) *nor commit adultery;* (8) *nor steal;* (9) *nor lie;* (10) *nor covet.*

The ethics of PROGRESSIVE CALVINISM is based on this code alone together with its interpretation in the whole of Scripture to wit: (1) men are free to live their own lives; (2) except they may not injure each other by doing what is forbidden in the

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foregoing code; further, (3) if one man violates the code, that does not entitle others in retaliation to violate it, but evil must be resisted *by doing good*, and we must be forbearing and forgiving; further, (4) we must exercise charity; and finally (5) we must endeavor to help get other men's thinking straight on all matters but especially in regard to the gospel.

The foregoing rules are the *means* to attain certain *ends* or *objectives*, namely, (1) the glory of God; and (2) the mutual welfare of men, which are usually expressed by saying,

*Thou shalt love the Lord thy God above all,
and thy neighbor as thyself.*

The difference in these two formulations of the great code known as the Ten Commandments is not a difference in contents, but the second formulation states *ends* and the first *means*.

It is essential to have those ends. However, to *talk* about the ends but to neglect to live according to the means is *self-deception* or *hypocrisy*. The temper of this age is to emphasize the ends but to violate the means at the critical and vital points. That is a reason why the Christian churches are rather feckless.

Much of what is said and written about love to God above all and to the neighbor as to the self is *paint on rotten wood*. Scripture says, *Faith without works is dead*, which is parallel to saying, *Talk* about the glory of God and the welfare of fellow men *without obedience* to the Commandments is meaningless. fn

Looking Backward (1955-1957) And Forward (1958) In Progressive Calvinism

This issue is the first in the fourth year that PROGRESSIVE CALVINISM is being published.

We continue our program (1) of analyzing Biblical ethics versus Social Gospel ethics, and (2) of showing the relationship of those two different ethics to the true teachings in the sciences of human action. Our thesis is that Biblical ethics are in accord with the true teachings of the sciences of human action, and that Social Gospel ethics are not.

Expressing the same idea somewhat differently, we are analyzing the relationship of the ethics of Christianity to various kinds of *economic orders*, such as capitalism, interventionism, socialism, syndicalism, communism.

I

Our standard in regard to Christian ethics is the teachings of the Hebrew-Christian Scriptures. We begin with Moses, and interpret the Decalogue he brought from Mt. Sinai in the light of the Sermon on the Mount by Christ. That gives a definition of Christian ethics, contrary to that of the Social Gospel. We are not our "brother's keeper" (to quote an expression inappropriately used by the first murderer) but are obligated to do only what is required by the Ten Commandments as stated in the first article in this issue. When "Christian" ethics, interpreted according to the Social Gospel, are extended further, they become sanctimonious and, in the judgment of thoughtful people, ridiculous. The first major effort of PROGRESSIVE CALVINISM has been to explain the Law of God simply, and to define what "brotherly love" is and what it is not. A major part of the issues in 1955 was devoted to that purpose.

II

Secondly, we have called attention to a contradiction which has long confused the teachings of Christian ethics, namely, an erroneous idea based on the statement of the Apostle Paul in Romans 13:1, "The powers that be are ordained of God." Christians of many persuasions have used this text to justify obedience to a government that is evil generally or that is engaged in promoting a specific evil; such nonprotesting obedience makes the individual citizen co-responsible for public evils. Our ethics are not dual; we believe it is *always* preferable to obey God rather than men. We agree with the French priest and writer, Fenelon (1651-1715) concerning whom Lord Acton wrote:

[Fenelon] . . . learnt to refer the problem of government, like the conduct of private life, to the mere standard of morals, and extended further than anyone the plain but hazardous practice of deciding all things by the exclusive precepts of enlightened virtue. [*Essays On Freedom and Power*, The Free Press, Glencoe, Illinois, 1948, p. 253.]

We would describe our program in slightly different words, viz.: we, too, are engaging in the "hazardous practice of deciding all things by the exclusive precepts of the *Ten Commandments*," rightly interpreted. There is indeed a hazard in the Christian churches of single-mindedly following that rule.

III

Thirdly, we attack another kind of contradiction in ethics, namely, one set of ethics for an individual and another set for a group. For example, *society* or a *union* are considered by many people (who seem to believe that they are promoting the Christian religion) to be authorized to apply various coercions which they would not think of permitting an individual to apply. Society engages with impunity and without reprimand by Christians in many gross evils.

IV

Fourthly, we are individualists. We reject the unbelievably erroneous ideas of many men on what Individualism really is.

Men were not created for society; society is a creation by men for themselves individually. For us, "brotherly love" is no pious religious term to cover collective coercion and other ideas which in the sciences of human action are known as collectivism; but that is what many people apparently believe brotherly love is. Men should learn that they belong to one of two classifications—they are either Individualists or Collectivists. (There are some half-breed positions in between, but ultimately all men can and should be classified as one or the other.)

V

Fifthly, we reject a naive view of creation and of the effect of the Fall of Adam on the material universe. We accept Moses's description of Adam that he was desperately poor and a stone-age man. We also accept that Adam first sinned in the form of denying private property rights. God said that Adam could harvest and eat the fruit of all the trees in the Garden of Eden, *except one*. This one tree was a symbol of the necessity of recognizing private property rights in a genuinely cooperative society (based

on true brotherly love). If Adam refused to acknowledge the validity of private property rights, but operated with no more morality than the beasts below him, that is, *appropriated anything he could get*, then obviously his (Adam's) "society" could not be better than the society of the beasts. Adam disobeyed.

We cannot accept, however, the idea that Adam's sin changed the natural laws of creation. The sun shone no hotter nor colder (in our opinion) after Adam fell than before. We are, therefore, supralapsarian Calvinists, and find it difficult to accept the infralapsarian view of creation. (See PROGRESSIVE CALVINISM, May 1957, pp. 147ff., and September 1957, pp. 266ff.; also October 1957, pp. 289ff.)

VI

Sixthly, we are *traditional* Calvinists. Our ideas in regard to man's relationship to creation and to other men are essentially the same as the Puritans'. What Max Weber wrote about early Calvinists in his book *The Protestant Ethic And The Spirit Of Capitalism* is entirely applicable to PROGRESSIVE CALVINISM. Traditional Calvinist ethics and our ethics differ completely from the ethics of the Social Gospel.

VII

Seventhly, we are interested in the two great charges which Socialism and those of like thought make against Capitalism, to wit, (1) that Capitalism inescapably suffers from business depressions, and (2) that Capitalism is unjust. We have not found anything in Calvinist literature which *logically* answers these two charges. Apparently, post-Marxian Calvinism (that is, Calvinism in the latest hundred years) is intellectually unable to find an answer to these two grave criticisms against capitalism made by the socialists and fellow travelers. But what system of ethics can be expected to survive if it must admit that it has no answer to the charge that it is *unjust*? However, what Calvinism seems unable to answer in regard to Capitalism the secular science of economics does answer.

VIII

Eighthly, modern "Christianity" has a big superstructure piled high on the essential teachings of Scripture. This superstructure consists of vague, abstract and unnecessary ideas, for

example, *welfare* as more than the law of God; *brotherly love* as more than the Commandments; *common grace* as something necessary beyond providence and the rational order; *sphere sovereignty* as a required neutralizer of excessive governmental authority.

If we were living in a medieval society, or if we were modern philosophers, we would describe that hindrous superstructure of abstract thought as *conceptual realism*. Medieval conceptual realism received its death blow in the fourteenth century at the hands of a Franciscan friar, known as William of Occam. In a sense, Occam introduced the modern age, the age of individualism, of particulars, of specific things, of modern science. We apply Occam's method of critique to the superfluous superstructure which some present-day Calvinists have built on the teachings of Scripture. We hold strictly to the teachings of Scripture and are happy when they are kept simple and fundamental.

IX

Ninthly, we place an overshadowing value on *liberty*. We are in the great *English* Calvinist tradition. We quote from Lord Acton's *Essays on Freedom and Power*, pp. 11 and 12, our italics):

It was in the Puritan phase, before the restoration of the Stuarts, that theology, blending with politics, effected a fundamental change. The essentially English reformation of the seventeenth century was less a struggle between churches than between sects, often subdivided by questions of discipline and self-regulation rather than by dogma. The sectaries cherished no purpose or prospect of prevailing over the nations; and they were concerned with the individual more than with the congregation, with conventicles, not with State churches. Their view was narrowed, but their sight was sharpened. *It appeared to them that governments and institutions are made to pass away, like things of earth, whilst souls are immortal; that there is no more proportion between liberty and power than between eternity and time; that, therefore, the sphere of enforced command ought to be restricted within fixed limits, and that which had been done by authority, and outward discipline, and organised violence, should be at-*

tempted by division of power, and committed to the intellect and the conscience of free men. Thus was exchanged the dominion of will over will for the dominion of reason over reason. The true apostles of toleration are not those who sought protection for their own beliefs, or who had none to protect; but men to whom, irrespective of their cause, it was a political, a moral, and a theological dogma, a question of conscience involving both religion and policy.

The insistent emphasis in PROGRESSIVE CALVINISM on liberty has a "religious motive" which we describe as Calvinist, but which is really universal with true Christianity, and which is held by a great Catholic as Lord Acton, whom we have just quoted, as well as by others who understand and genuinely accept the ethics of the Hebrew-Christian religion. In orthodox Calvinist circles today there are only a few voices insistently raised in favor of liberty. There are many who accept the basic premises of tyranny; the theme song of these brethren is "love," with love defined in the sense of the Social Gospel; that definition makes "love" the foundation for tyranny.

X

Tenthly, PROGRESSIVE CALVINISM is different from other publications in that it earnestly attempts what is unusual in modern orthodox Calvinism, to wit, a reconciliation of ancient Biblical ethics with the modern *Social Sciences*, or as we have learned to call them and as they should be called, the modern *Sciences of Human Action*.

The queen of the Sciences of Human Action is economics. Economics is the comprehensive, unifying science in its group. The great practical issues of the day are being fought out in the basic concepts in the field of economics. That being the case, it would be expected that in every theological seminary and in every pulpit, when the subject under discussion was *practical ethics*, there would be evidence of thorough study of what economics teaches. Astonishingly, economics is a practically unknown science to moralists, evangelists, theologians and teachers of religion. Their thought is saturated with the *words* of Scripture to which

they have added the popular economics of the daily papers and supplemented it with that kind of shortsightedness which consists in attention to *immediate* rather than ultimate economic—and ethical—consequences. A distinguishing characteristic of economics is that it is the science of *long-range consequences*; one of its special purposes is to probe beyond surface effects. It tenaciously pursues the chain of cause and effect from the first splash to the last ripple. True ethics must have the same characteristic; it too must teach not short-term consequences, nor even remote consequences, but ultimate consequences. Special attention should, therefore, be given by ethical teachers to economics, but regrettably that is not the situation.

In a sense, the attempt to which we are addressing ourselves is unique. Many ethical teachers are still trying to reconcile ancient and medieval philosophy with Biblical ethics and with complex modern practical problems. It is threshing over old straw. There are others trying to harmonize Biblical data with the findings of the modern *natural sciences*. But these attempts are different from those of PROGRESSIVE CALVINISM. We are not interested in abstract philosophy, nor have we knowledge in the natural sciences. Instead we concern ourselves with (1) the sciences of *human action* which are necessarily vitally related to the (2) declarations in Scripture on what *should be* the actions of men, that is, their ethics and morality.

In this field of *human action* we are not reworking the ideas of Socrates, Plato, Aristotle, Lucretius, Augustine, Thomas Aquinas, Martin Luther, John Calvin or some old "authority." We approach the problems from a twentieth-century viewpoint, and from what is known in that century about the economics of our modern complex social and economic structure.

We encounter no difficulties in reconciling ancient Biblical morality with modern economics. If we see aright, the two—Biblical morality and sound modern economics—teach the same thing.

* * *

In the year ahead we plan to work over various economic problems, such as unemployment. We shall develop the idea that some unemployment is desirable; further, that the kind of unem-

ployment which is unfortunate is the result of *sins*; or if you wish to speak of the latter in non-Biblical terms, the result of bad logic and bad economics.

Further, we propose to write a *Platform* of proposed action, that is, a political, economic and social platform which is consistent with the ethics of Christianity.

We plan also to examine further the prevalent ideas about "love." Our analysis will be critical.

In addition we hope to consider various forms of irrationalism which are being recommended to Christians as being a new, higher and truly modern Christianity. The irrationalism of Karl Marx is widely accepted by the Social Gospellers and by some organizations which have the approval of orthodox Calvinist churches.

In PROGRESSIVE CALVINISM we (1) are against sanctimonious brotherly love; (2) believe in *always* obeying God rather than a government following an evil course; (3) hold to a single set of ethics rather than a dual set; (4) are not collectivists but individualists; (5) reject a naive view of creation and the post-Fall world; (6) are traditional Calvinists, indeed "throwbacks" to seventeenth-century Calvinism; (7) are interested to show what Calvinism's answer should be to the two charges by Socialism against a Biblical (private property) economic order, namely, that a Biblical economic order results in business depressions and is unjust; (8) are against big, vague, unnecessary superstructures of thought added to what Scripture teaches, but which superstructures can be brushed away by the same method as ended medieval thought; (9) are overwhelmingly for freedom and against tyranny; and finally (10) we solitarily pursue our way to reconcile Biblical ethics and modern economics.

* * *

PROGRESSIVE CALVINISM is issued monthly. The subscription price is \$2.00 a year, payable in advance. Subscriptions run from January through December. Readers ought, however, to read first the three volumes for 1955, 1956 and 1957; paperbound copies are available for \$2.00 for each year. For \$8.00 you get three books and twelve separate issues in 1958.

PROGRESSIVE CALVINISM covers a field that no other publication covers; we harmonize Biblical ethics and modern secular economics. fn

Everybody Is Unhappy About Unemployment

Presently (December 1957) business activity is declining. This follows a period of very high activity during the past spring and summer. Lower business activity means less employment.

Unhappiness In The Management

Imagine yourself a businessman with a good business which you have managed well. Last spring and summer you could not fill your orders on time. You were expanding your plant, buying more equipment, enlarging your inventories, extending more credit to your customers, and borrowing money heavily at the bank. What else could you do? Hold back and let competition take away your customers? Of course, you were hiring new employees at that time.

But now it is different. The backlog of orders is declining and practically gone. Customers are cancelling orders or specifying later deliveries. The inventory is too big because production has not been "cut back" fast enough. The bank which loaned you money is nervous and wants a reduction in its loan. You are sorry you enlarged your plant. But worst of all, you hired people six months ago whom you can no longer use. If you keep them, the business may be bankrupted, and nobody will continue to have a job, not even employees who have been there twenty-five years or more. You are chagrined that you were not able to foresee developments; a few months ago you were talking expansion; now you must retrench. You feel you will "lose face" as a business man. People will laugh at you as being chuckleheaded. You ask the question: *how far* will the "recession" go? Is there reasonable ground for hope that business will soon *recover*? *That* is your hope.

After you have surveyed the whole situation you conclude that business has already become so bad that some steps must be taken *now* or future trouble will be so great that it is not manageable. Necessity, not inclination, requires that decision.

Unhappiness Among The Employees

Young Jones is in the employ of your company; he has a wife and children; he has a house with a mortgage and a car bought on instalment payments. But the production planning department is not sending many orders to Jones's department. There is (every man in the department can see it) less work coming in; eventually somebody or a lot of men must be "laid off."

What an anxiety for Jones! How long will the lay-off last? Where get another job?

Mrs. Jones learns of her husband's anxieties. She, too, worries whether he will be laid off and if so, for how long? Day by day, the prospects get worse, and day by day the Joneses begin to restrict their expenditures. She buys less at the grocery store, the department store, everywhere. The retailers in turn buy less; less orders flow back to the manufacturers, and that means less work and more unemployment.

The Fear Of Unemployment

Unemployment! The idea frightens everybody; and well it may. The specter of unemployment terrifies men to such an extent that they are willing to consider abandoning their liberty and embracing socialism and tyranny in the hallucinatory hope of escaping *unemployment*.

In this issue we shall give attention to the relationship between unemployment and a national evil consisting in the issuance of more fiduciary media. (In regard to *fiduciary media* see the November, 1957 issue, pages 337ff. Fiduciary media is money "created" under law but not covered by gold. Business cycles, booms and depressions, and the thing that goes with it—unemployment in depressions—are caused by varying the quantity of fiduciary media.)
fn

Kinds Of Unemployment

The term *unemployment* is a general term which has many meanings and as such will contribute to mental confusion unless

it is specifically defined.*

We shall consider five kinds of "unemployment," to wit,

1. Unemployables;
2. Voluntary unemployment;
3. Frictional unemployment;
4. Cyclical unemployment; and
5. Chronic unemployment.

1. Unemployables

Every society has individuals who because of physical, mental or moral traits are not employable. It costs more to keep them at work than can be obtained for the products they make. It is improper to consider such people as part of the potential work force, and it is against the public interest to endeavor to enlist them in the work force. The unemployables are a burden on society, and are a charitable, moral and disciplinary problem.

The unemployables, not very great in number, are not considered further in this analysis.

2. Voluntary Unemployment

In a loose sense of the term unemployed persons are *voluntarily* unemployed. If employable, a man can, if adjustable (that is, if he prefers work to idleness regardless of his comfort, prestige and personal ideas of remuneration) presumably always find work *at a price*; maybe not instantaneously but within a moderate period of time. According to our premise, he *can* produce something. Potentially, his services have value. If then he is willing to do anything which is available, he will be employed fairly soon.

But men are seldom so adjustable as that. They often prefer temporary unemployment to employment immediately available which they consider unattractive. A man may be qualified as an orchestra director and he may long have had such employment.

*The same was true in regard to the term *money*; it is not possible to understand the problems of money, if *money* is not analyzed according to types; we have shown in the November 1957 issue that it is necessary to distinguish between three kinds of money, namely, gold, gold certificates and fiduciary media; there are additional subdivisions of money which should also be taken into account in detailed analyses.

Right now there may be no work as an orchestra director. He may be a talented violin player and can get employment as such in a bar, but that may be unacceptable to him either because he refuses employment which he considers beneath his dignity and remuneration ideas, or because he believes such temporary employment will injure his reputation and make him lose future employment opportunities as orchestra director when they become available. This reasoning and this attitude may or may not be self-advantageous.

People who do not adjust well are often not realists in the sense of appraising themselves correctly, that is modestly rather than egotistically. Men who over-value themselves are likely to be frequently or even permanently unemployed. They demand too much consideration and want too much money.

Some people seem to be unfortunate in their inability to find employment. But the fault is not lack of opportunity but themselves. They expect society to give them employment exactly of a kind they want. The idea, then, that every man is *entitled* to a job is an unsound idea. Who is to decide what the job is to be? If society assigns a man to a job which he is obligated to accept, then the man is subjected to tyranny. If, however, a man has liberty to select what he wants, but refuses every job offered, then he is not *entitled* to a job, for the simple reason that if he can force society to give him what *he* wants then he tyrannizes over society. The idea, therefore, that a man has an inalienable claim to a job is false.

Nor is society obligated to give every man an opportunity. A man must create his own job in society by proffering something in the form of acceptable production for which others will *voluntarily* remunerate him at mutually accepted terms. To *coerce* support for yourself from society is a violation of the Sixth Commandment, which forbids coercion.

It should be realized that *society* is a general term. It does not refer to a mass of people who as a group must give a man employment; in practice in a free society it means that some one individual or a limited group of individuals will give a man em-

ployment. He or they must be able to expect to get value received for value paid to him; if not, why should they be obligated to take a loss on employing him. The important point to remember is that there are many more persons *voluntarily unemployed* than it appears.

Anyone *voluntarily* unemployed helps himself in the public eye if he can create the impression that he is *involuntarily* unemployed. In proportion as he can give the impression to others that he is involuntarily unemployed, he may hope that he can make a plausible claim on public assistance. From time immemorial the rule has been: he who will not work shall not eat. Some people then are careful not to say, "we will not work"; but they make demands and set terms to employment which get down to this, "we will not work *at what is available*"; it is beneath us or not to our liking."

People who take that attitude are entirely within their rights. But others are also entirely within their rights if they refuse to support such individuals. The burden of voluntary unemployment should be assumed by the persons themselves who are voluntarily unemployed. Under that circumstance no one should have the right to compel them to work. But it is genuinely contrary to the public interest voluntarily to support unemployed people at the public expense (that is, out of tax money).

3. Frictional Unemployment

Society is either static or dynamic. A static society may appear good from the viewpoint of security and safety, but it also means that that society cannot better itself. Frictional unemployment is an inescapable consequence of having a dynamic society, a society which can improve.

Let us consider various kinds of frictional unemployment.

1. Assume a man is a farmer, but he does not like to farm. He wants to be a tool and die maker in a factory. If a society is genuinely static, it forbids the man to move off the farm in response to his own inclination. Static societies are always tyrannies. But assume that a free and dynamic society exists. Our young farmer then moves to the city. He starts walking the

streets, calling at the employment offices of factories to see if he can get a job of the kind that he wants. He is *unemployed*. He no longer has a job on the farm and he does not yet have a job as a tool and die maker. Such situations are described as *frictional* unemployment. The word *friction* obviously comes from the idea of change or shift from one job to another.

2. A man may also be unemployed in a frictional sense because his employer can no longer employ him. If a business is seriously mismanaged, anyone so unfortunate as to be working for such an employer will soon be out of a job. In a sense, a person should always hope to work for a *competent* employer; then he will not suffer unemployment because of another man's incompetence. Society, be it said, cannot afford to suffer the cost of supporting incompetent businessmen. Those men do not know how to muster material and labor efficiently, and consequently they should not continue to perform that function. They are wasters. The quicker they go out of business, the better. There are also voluntary reasons why employers wish to discontinue a business.

3. There is a third kind of frictional unemployment which results from neither the inclination of the employe or the incompetence or wishes of the employer, but from changing circumstances. If a man has a business manufacturing buggies, but people no longer want buggies but automobiles, then the willingness to work or the competence of the manager of the buggy factory has little to do with the situation. The buggy business will have to be discontinued for the simple reason that people no longer want buggies. The owner will probably lose a large part of his investment; the employes will become unemployed. The "friction" between buggies and automobiles has resulted in frictional unemployment.

4. There is a fourth cause of frictional unemployment, namely, human limitations. All production is for the future. All forecasting of the future is fallible. All men make mistakes. It is a question of how much. Only the best "forecasters" among business men survive; the rest fail. But the best make *many* errors. Consequently, here production is too high, and elsewhere it is too low; and then vice versa. Inevitably, therefore, there is frictional unemployment for that reason. To this should be added

the fact that unforeseeable and unpredictable events make the best of plans go awry — cyclones, drouths, earthquakes, etc.

From the foregoing it is evident that some frictional unemployment is voluntary and some is "involuntary." Nobody can really argue against the deliberately voluntary frictional unemployment. Each individual is personally responsible for that himself. To work for an incompetent employer is a misfortune, but in a free society anybody has a right to set up in business and employ somebody else. Actual testing is the only way to discover who is a competent businessman. Furthermore, nobody will seriously advance the idea that just because people have bought buggies for hundreds of years they ought to continue to buy buggies when they really want automobiles. Scarce materials and scarce labor should not go into buggies which are no longer wanted.

The frictional unemployment which has been described cannot properly be presented as a terrifying type of unemployment. Certainly, the farmer takes a risk when moving from the farm to the city. Certainly a man takes a risk when he selects as an employer a man who may turn out to be an unsuccessful businessman. And changes in demand can throw new and old employes out of work. But in all these cases the presumption is that a man can get some other work. If buggies are no longer produced, those who produce buggies will have an opportunity to get a job in a factory producing automobiles. The man who quits the employ of an unsuccessful employer can probably get a job by going to the competitor who is taking business away from the unsuccessful employer. A farmer who moved from the country to the city undoubtedly assumed that he would be better off and make more money as a tool and die maker than as a farmer; if he had estimated the prospects differently he would probably have stayed on the farm; furthermore, if he was wrong in that estimation, the tool and die maker whom he displaced may move to the farm and be happy to have the larger farm income which will become available to him.

In short, frictional unemployment although unpleasant and even painful in specific cases is a necessary circumstance in a free society.

4. Cyclical Unemployment

The situation is different in the case of unemployment resulting from the business cycle. The business cycle is that phenomenon afflicting modern capitalism which consists of alternating booms and depressions — super-good business at one time and distressing lack of business at another time. In terms of employment this means at one time more jobs than men and at another time more men than jobs.

The sad thing about unemployment resulting from the business cycle is that when a man gets thrown out of work for cyclical reasons he is almost sure to have great difficulty getting other employment. At the same time that his employer is compelled to cut back production other employers are under the same compulsion. Whereas frictional unemployment seldom makes men hopeless, but is instead often based upon ambition and optimism, cyclical unemployment to the contrary is a disheartening phenomenon.

In the November and December issues in 1957 we have explained that the cause of booms and depressions (cyclical variations in business) consists in variations in the quantity of fiduciary media which are injected into or taken out of the money supply of a society. It will be helpful to describe again briefly the character of fiduciary media and the consequences of varying the quantity.

If a man wishes to buy something, he can give something in barter for it, or he can pay with money. Ordinarily he buys by paying with money. That money is either (1) his own or (2) it is borrowed. Using *his own* money will never cause a great boom or a depression. But the use of borrowed money *can* cause a boom (and its consequence, a depression), *depending on the character of the borrowed money.*

The borrowed money may be somebody else's *savings*. Peterson wants to borrow \$1,000. Black has saved \$1,000 and put it in a bank. Peterson goes to the bank and it loans him the \$1,000 that Black had saved. This will not cause a boom because the extra buying done by Peterson by means of the \$1,000 is offset by the reduction in buying by Black; and vice versa when payment

is made, because then Black spends or reloans as much as Peterson reduces his buying. From society's total viewpoint buying and selling are unaffected by the Black loan to Peterson via the bank. The bank was merely a broker between Peterson and Black.

But it is different if Peterson goes to the bank but the bank has no \$1,000 saved by Black or anyone, which it can loan to Peterson. If the bank nevertheless loans \$1,000 by "*manufacturing*" \$1,000, then \$1,000 of *disturbing buying power* enters the market. Everybody else is spending their own money or transferred money as in the case just explained, but Peterson enters the market with an *extra*, artificially-created \$1,000. What happens? Business suddenly *seems* to be better. There *seems* to be more demand. Prices rise. Business *booms*. Why? Solely, because \$1,000 of manufactured money has come into the situation. This kind of money is known as *fiduciary media*. We take the term and the whole idea from Ludwig von Mises's *Theory of Money and Credit* (Yale University Press, 1953).

Three things can now happen:

1. The banks may continue indefinitely to "manufacture" more and more thousands of dollars (money), and the boom will roll merrily along. Prices will go higher and higher. Business will *temporarily* continue to expand because businessmen will be thinking that utopia has arrived. But eventually people will discover what is going on. They will say to themselves, *money* will not do us any real good. There is too much of it and more is coming. Prices are going to go higher and higher. Let us always get rid of our money *as soon as we get it* by immediately buying something. It is better to own *things* than *money*. This is the psychology in a runaway boom which will end (always) in complete business collapse, and impoverishment for many people. It may take some time to go over the precipice on this, but continually putting out more fiduciary media can have no other effect than economic destruction. History proves it. Eventually the policy of uncontrolably putting out fiduciary media *must* stop.

2. The banks can follow another policy. They may put out a quantity of fiduciary media and then they may call a halt. They may say, "No more." This halt may come on the initiative

of the bankers, but more likely it is the result of "the law." Banking is the most-regulated business in the United States. In that sense it is the most socialized, or socialistic, business in the United States. Moves by bankers to expand fiduciary media or to contract it are really nothing more than a normal man's response to what "the law" permits and/or requires. Now the law in the United States says that a banker may expand fiduciary media up to a certain point — but beyond that it is made expensive for him to do so and eventually he must stop. What happens then?

First, the *extra or surplus* buying power is removed. Suddenly, the fictitious excess demand to which business has become accustomed disappears. Big plans by businessmen for expansion prove to be too big. They say to themselves: "We must revise our program downward." Unemployment begins. Prices begin to decline generally. The decline snowballs and then there is a business contraction.

Usually, the process goes much further. After the contraction has begun the eventual cumulative effects are such that bankers not only stop putting out more fiduciary media but they feel required to *reduce what is already outstanding*. The money they loaned does not look safe to them anymore. They say to borrowers: "Pay up." You cannot blame the bankers. Everything looks dark now instead of rosy.

Let us now return to Peterson, our borrower of \$1,000. Suppose he did not borrow from the bank the savings of Black, but that fiduciary media was manufactured by the bank, according to the law of the land for which we are all responsible. What happens? First there is that pleasant but fatal boom resulting from Peterson spending money that did not exist before. But that cannot last unless money continues to be *added* to the money supply. Suppose then that the bank stops issuing more fiduciary media.

The community's planning, in the meanwhile, unfortunately has been based on the assumption that the bank would put out more and more fiduciary media. Now that assumption proves wrong and all businessmen begin, of necessity, to retreat. Then some get into financial trouble. The banks become alarmed. They demand that Peterson and others who have fiduciary media obli-

gations pay up. He can do so only by sharply reducing his expenditures and buying. We now have the depression. Why? Because if the extra \$1,000 in buying power caused the boom (which it did) then the paying off of the \$1,000 now *prevents Peterson from doing even normal buying*. When Peterson (and others) do that, retailers cannot sell so much, nor manufacturers manufacture so much, nor employers keep on the payroll the same number of employees as before.

We have then an evil unemployment situation. Men are thrown out of work wholesale. And there are no other jobs available except under conditions which temporarily dislocate business further.

Such is cyclical unemployment, one of the great evils of modern society. This evil, however, is solely the result of a past *sin* (using a moral term) or a past *fallacy* (using a logical term). The sin is fraud and theft. The fallacy is that fiduciary media is a good thing from an economic standpoint, that you can make people prosperous by pieces of paper (fiduciary media money).

Scripture forecasts with calm assurance, Your sins will find you out. In cyclical unemployment our sins find us out.

The future consequences of cases of cyclical unemployment will be disastrous. Because Christians do not raise their voices at all against fiduciary media, they do not warn people about the penalty, cyclical unemployment; and because people are not warned about that they will in the days of their future disillusionment turn in despair from liberty to tyranny, from capitalism to communism, and from individualism to collectivism.

Christianity has no good future under tyranny, communism and collectivism. Christianity has tolerated and, in a sense, abetted a colossal sin, fiduciary media, for a century or two. In the days of ancient Israel and Judah sins were perpetrated for centuries despite periodic warnings and spasms of penalties. But it took five centuries for the cup finally to run over. The end came slowly, but eventually inevitably. If so-called Christians will not testify against fiduciary media, it may take much less than five centuries for Western capitalism and liberty to go under.

There are several false explanations given for the business cycle. These explanations always appear plausible. One explana-

tion of the business cycle is that there is *overproduction*. In this case the word overproduction needs to be defined. What is meant by the term? General overproduction? Or only overproduction in specific commodities?

In previous issues of PROGRESSIVE CALVINISM we have reiterated that the idea of Moses in regard to a universal welfare shortage realistically discredited the idea of any *general* overproduction. *General* overproduction is an impossibility. It is possible that too many shirts are produced, but then it can be proved that the surplus material and labor that went into the shirts should have gone into something else of which there still is a shortage. There must still be a shortage of some other commodities and services, or otherwise we do have general overproduction. Everybody by common sense knows there is no *general* overproduction; who is unable to think of something that he or she does not yet want? The proportion among goods produced may be wrong, but that is not *general* overproduction. For overproduction of one item there must be underproduction of another.

Another false explanation of the business cycle is *underconsumption*. In contrast to the overproduction theory, the underconsumption theory assumes that there is a lack of effective demand. Demand is looked at in terms of *money*. It is assumed that if there is not enough demand it is because there are not enough dollar bills in circulation. The underconsumption theory of the business cycle is a popular theory in present-day society. The underconsumption can supposedly be corrected, according to much modern thinking, by creating more money. Fiduciary media constitute the vehicle by which more money is put into circulation.

Behind this theory there is a serious fallacy. This theory mistakes a mirage for reality. The welfare of the United States is not doubled by doubling the quantity of money. Pieces of printed paper do not give *real income*. The only thing that certainly results from more money being in circulation is higher prices. If money doubled in the United States, prices would increase greatly and maybe double, but the printing of more paper does not result in more houses or factories or automobiles; the quantities of those things would be the same; the only difference would be that the price would be higher.

In short, cyclical unemployment is an inevitable consequence of the fact that putting out fiduciary media is not only legalized in the United States, but is considered to be a great blessing with beneficial results. To legalize a sin does not change its character of being sinful, and to perform the sin with hopefulness and enthusiasm merely makes the bad effect of the sin greater.

5. Chronic Unemployment

Cyclical unemployment is bad but chronic unemployment is worse. Under cyclical unemployment a man is employed part of the time and unemployed the rest of the time, but in chronic unemployment some men cannot get a job at all. They are permanently unemployed. That is what the word *chronic* means.

The principal causes of chronic unemployment are "violence" or the threat of violence as manifested in the laws of the land and the policies of the labor unions.

When a government passes a law requiring that minimum wages be paid, it has adopted a position which can result in chronic unemployment. When a man is relatively incompetent and can earn only 75 cents an hour and is employable at not more than that wage, if the law says that nobody may be employed for less than a dollar an hour, then the minimum wage law has put that man out of work. The higher wages are fixed in minimum wage laws, the more surely those laws will put out of work a larger and larger segment of the population.

There is no economic justification for minimum wage laws. They do not help society in any comprehensive way whatever. If the minimum wage is set below the economic wage, then the law is inoperative; wages are higher than the minimum anyway. If, however, the law sets the wages higher than the economic wage, the employers will refuse to hire a man for more than he is worth because they will lose money on him. Consequently chronic unemployment will result.

In addition to laws prescribing uneconomic minimum wages there is also the chronic unemployment which results from union coercion (by means of closed shops and strikes, restriction of the number of apprentices, etc.). They force wages above the natural,

economic market level which means that employment in that particular activity will be reduced.

The circumstances in the United States are such that if there were not an attempted "remedy," there would today be serious chronic unemployment in the United States, because of the policy of the unions. That pseudo remedy which is being employed is inflationism. Because unions force wages above the economic level in this country and because that would cause *chronic* unemployment, a supposed solution has been found, namely, to put out more and more fiduciary media which in turn makes the prices go higher and higher. Because prices go higher and higher, from the steady issuance of fiduciary media, the employers can thereby absorb the uneconomic wage that was forced upon them, and so chronic unemployment has temporarily been escaped.

But the minute that inflationism is stopped in the United States chronic unemployment will come down upon the nation like a ton of bricks.

Have you ever heard of intimidation and violence on the part of unions in order to force their demands on employers and the public generally? Have you ever heard of industry-wide strikes? These strikes *are manifestations of violence* or what amounts to practically the same thing, *the threat of violence*. Nevertheless, in orthodox churches the violence and the threat of violence of the labor unions is seldom condemned. We have previously quoted from the *Grand Rapids Press*, in the July, 1955 issue of PROGRESSIVE CALVINISM, page 179, as follows: "Rev. . . said the basic issue was whether or not the closed shop was sin. He said that this had not been proven from Scripture." This proposition gets down to the simple idea that coercion and the threat of violence is not sin. The sole purpose of the closed shop is to make violence and the threat of violence legal and consequently more effective.

God, as we have written before, does not come down through the clouds of heaven and speak with a voice or strike with an arm *directly* against violence or any other sin. The consequences of the sin show up in the ordinary sequence of cause and effect. What happens in the sequence is this:

1. The violence or the threat of violence puts wages above the economic level of a free and uncoerced market;
2. This will cause chronic unemployment; but
3. It is thought to be possible to frustrate cause and effect by putting out fiduciary media; that raises prices, which enables the employers to absorb the higher wage cost and so there is no chronic unemployment after all; chronic unemployment under this scheme of things is escapable only at the cost of continued inflationism; but
4. This method of frustrating the Biblical idea (that your sins will find you out eventually) fails because the only way to keep prices rising is to put out more and more fiduciary media; and so
5. Later, the dollar or whatever the monetary media is becomes valueless, the economy collapses and finally
6. Mr. Average Citizen, who does not understand the economics of what is going on, turns to socialism because it promises a utopia; or turns to a man as Hitler because he promises to regulate everything according to a master plan and end further inflationism.

It is regrettable that the leaders of Christian churches think that they can tolerate disobedience to the Commandments of God, but nevertheless that the penalty for that can be escaped. Their argument is essentially that coercion "has not been proven from Scripture to be sin." This position is merely a flagrant nullification of the Sixth Commandment.

6. Two Schools of Thought

There are two schools of thought in orthodox Christian churches in regard to the organization of society. One school of thought is based strictly upon the Commandments of God. It does not equivocate about that. It understands that the Sixth Commandment forbids coercion and violence. It does not believe that legalizing violence, justifies violence or nullifies the requirements of the Commandments of God.

The other school of thought has many other standards for judging how to organize society, such standards as "righteous-

ness," "brotherly love" and the "welfare of society." Under those high sounding terms violence and theft are permitted. There is not a word said against the theft consisting of putting out fiduciary media, thereby eventually causing cyclical unemployment, nor is there much said about violence consisting in the closed shop and union intimidation which inevitably will cause chronic unemployment unless it is neutralized by inflationism which consists in putting out steadily increasing quantities of fiduciary media, that is, more theft.

We come then to this summary:

1. Voluntary unemployment is a man's own affair. Let him have his liberty. But he should not expect society to support him in idleness.
2. Frictional unemployment is a mixed phenomenon, largely good, partly unfortunate, but never disastrous.
3. Cyclical unemployment is a great evil caused by the sin of fraud and theft.
4. Chronic unemployment is a still greater evil caused by coercion and violence, both legal and illegal. fn

Can Employment Be Steady?

Changes in employment in an industry depend on many factors:

1. Volume of sales;
2. Inventory accumulation and decumulation;
3. Profits.

Volume of sales in turn depends on many factors, the seasons, population growth, new models or styles, inventory increases or decreases, and profits.

If, for example, profits are increasing greatly, the management of a business will think in terms of expansion — more factories, more equipment, more employees. Vice versa, if profits are decreasing, the management of a business will think in terms of contracting the business — fewer factories, less equipment, less

employees. The relation between profits and employment is not invariably parallel, but there will be a strong tendency for increased profitability in a business to result in increased employment.

An important question of fact arises: does profitability vary much, or is profitability stable? The answer is that profitability is extraordinarily unstable — inevitably and fortunately.

To illustrate that fact we take a typical compilation of figures — earnings reported in the November 4, 1957, *Wall Street Journal*, page 12. We have rearranged this table of figures into two columns instead of one, and we have left out the noncomparable figures for the steel companies. We have placed the industries making gains in the left column and those suffering losses in the right column. Further, we have ranked the industries in a descending order — highest gains or losses first, and the lowest gains or losses last.

In the third quarter (July, August and September) of 1957, thirteen industries showed increases in profits and twelve showed decreases. Let us consider the decreases first.

EARNINGS IN VARIOUS INDUSTRIES, THIRD QUARTER, 1957 VS. 1956

INCREASES		DECREASES	
Companies	% Increase	Companies	% Decrease
20 Autos & Equipment	40.5	5 Floor Coverings	29.7
12 Railway Equipment	34.0	18 Metals and Mining	26.1
11 Tobacco Companies	26.4	16 Textiles	26.1
16 Drug Manufacturers	25.6	6 Airlines	20.6
9 Radio & Television	22.3	5 Office Equipment	18.3
11 Electrical Equipment	20.8	17 Pulp & Paper Products	18.3
5 Farm Equipment	12.1	19 Tools & Machinery	12.6
34 Utilities	10.9	51 Railroads	10.1
22 Chemicals	9.2	5 Printing & Publishing	8.2
7 Rubber &		14 Department Stores	3.8
Rubber Goods	7.3	20 Building Materials	2.7
18 Food Products	5.8	8 Finance Companies	2.7
9 Aircraft Makers	3.3		
19 Petroleum Products	.5		

Five companies in the Floor Covering business suffered a 29.7% (in round figures, 30%) decline in their profits. One can be sure that the companies producing floor coverings were not expanding employment, but decreasing it. Similarly eighteen companies in Metals and Mining suffered a 26.1% decrease in earnings; certainly, the mining companies were not increasing employment. Similarly, with other companies in our right-hand column.

The figures shown are not for individual companies but for several companies in each industry. The smallest groups contain five companies; the largest 51 companies. Undoubtedly, the variations in profitability for individual companies are much larger than the group totals. For example, it is certain that several of the Floor Covering companies suffered an individual decrease of more than 30%.

But we have considered only half of the statistics in our table. Let us look at the left hand column showing the increases in profits. Those increases will make the managers of those businesses optimistic and expansion-minded. On this side of the table there are large increases: Autos and Equipment, 40%; Railway Equipment, 34%; Tobacco, 26%; etc.

One proposition is obvious; these increases in earnings and the probable increases in employment can be accomplished only by hiring people already unemployed, or people currently being released by industries whose markets are declining — Floor Coverings, Metals and Mining, Textiles, etc.

What is the alternative to this *free* labor market, in which employers and employees take their chances, and in which there are unpredictable up and down waves in activities in companies and industries — one up and another down? The alternative to this situation is: (1) production of unwanted products; (2) lack of urgently wanted products; and (3) as a consequence a generally lower standard of living. If in the industries listed in our table there is to be no decrease in employment in Floor Coverings, Metals and Mining, etc., then there is also to be no increase (possible) in the production of Automobiles, Railway Equipment, Tobacco, and other items.

What do you want? A flexible, expanding economy, with employment "hazardous" because of the ups and downs of business; or a petrified, static economy with employment guaranteed in declining industries and employes unavailable for expanding industries? The first means a prosperous and developing but "insecure" society; the second means a nonprogressive, and eventually impoverished society but one which some people would describe as "secure" and which some people may even favor.

In PROGRESSIVE CALVINISM we believe wholeheartedly in a flexible society, one that is "insecure," and in which no industry is protected and no employment guaranteed. There is, indeed, a hardship for all from business being unsafe, and there is a hardship from unemployment varying by industries, but those conditions are preferable to business being static, protected, constantly getting poorer.

The kind of situation that we have described pertains to *frictional* unemployment. Employment opportunities decline in some industries but expand in others. The unemployment that exists is not cyclical or chronic. fn

An Erroneous Approach To Trying To Eliminate Frictional Unemployment

**The United States
On V-J Day**

The day of the armistice with Japan in 1945, known as V-J Day, brought to an end active hostilities in the greatest war in modern times, World War II. The next day was celebrated as a holiday throughout the United States.

One of the companies in this country in the so-called "heavy industries" had been working exclusively for several years on government orders for military equipment.

The president of this company, having spent his long life in nothing but work, did not know what to do on this spontaneous holiday and decided to go to the plant.

When he got there he learned that the teletype was "ticking away" with messages from Washington. These messages, he

learned, were cancellations. He "amused" himself all day reading and tabulating those teletype messages.

This is what he afterwards reported: "When I went home that night our Company did not have a dollar's worth of business on its books. Every unfilled order that we had on our books had been cancelled."

In a sense, there was no reason to open the plant the next morning or to keep a single employe on the payroll. The company had completely lost its one and only customer, the government. Nevertheless, production was immediately converted to civilian production for which there was an enormous pent-up demand.

England After V-J Day

Six weeks later that president, his executive vice-president and the writer were in England to visit two English affiliates. One of these was in southern England, and the other up north in the iron and steel country around Sheffield. We visited the southern plant first. The president of that company took us through his plant to see the layout, equipment, and production.

As we entered the plant we three Americans came to a dead stop. Before us, moving steadily from operating station to operating station, was a long assembly line of small armored vehicles, good only for war purposes.

"Why" we all three asked in one breath, "are you producing those?" We added that on the day following V-J Day every military order that we had in the United States had been cancelled.

The president of the British company answered: "We are continuing production of these armored vehicles on government orders so that we avoid unemployment in this . . . area." Of course, by "unemployment" he meant *frictional* unemployment.

"But," we said, "those armored vehicles are not needed any more. It is a waste of material and labor to produce them."

"Oh," he answered, "the military police will be able to use them in occupied countries."

We told him that the surplus of these vehicles on hand at the date of the armistice would be more than sufficient, which was certainly true.

But we lost the argument. The British, who were under the hypnotism of socialist ideas, thought that all unemployment should be avoided at all cost. If necessary, produce what is not wanted!

* * *

A week later we were up north in the Sheffield area to negotiate with our other affiliate. We wanted this affiliate to increase its production of our civilian products greatly at once. The president of the company sadly shook his head.

"It cannot be done," he said, "because we have a shortage of steel and of labor in England. Too bad, but it is impossible."

Then we thought of our affiliate in southern England, manufacturing unneeded armored military vehicles in order to maintain "employment." We also thought about all the steel that was being fabricated there into armored vehicles not needed now that the war was over.

* * *

Whoever the man was in the United States government who decided on V-J Day to cancel all war orders was a wise man. He freed United States production at once for conversion to civilian production. The change-over from military to civilian production was accomplished easily and smoothly. The *unemployment* involved was *frictional unemployment* which is *on the whole* a blessing.

Whoever the man was in the British government who decided on V-J Day not to cancel all war orders was an unwise man. He was confusing the dangerous types of unemployment, namely, *cyclical* unemployment and *chronic* unemployment with *frictional* unemployment. That man, too, did not take into account the *universal welfareshortage* which Moses proclaimed; he did not realize that there is no raw material nor labor that can be wasted without penalty — ever. There is *always* a shortage of materials and labor. Waste it in one location, as in the southern part of England, and there will be a shortage in the northern part of England. All waste is evil.

No wise man in his private decisions is foolish enough to waste material and labor; why should it then be a sound policy for society or a government.

John Maynard Keynes, the influential British economist, declared that it was necessary to avoid unemployment *at all costs*. He even proposed, in order to avoid unemployment, that men be put to work digging unnecessary holes and filling them up again. He had developed a complex and wholly erroneous theory that unemployment was a sure consequence of the natural forces in a capitalist society. Keynes was stubbornly in favor of those monetary policies which inescapably bring on *cyclical* unemployment, and those labor policies which inescapably bring on *chronic* unemployment. More of this later. Furthermore, his followers indiscriminatingly accepted and applied his phobias against unemployment even to cases of *frictional* unemployment.

Keynes's ideas are widely taught, or at least not resisted, in orthodox Christian colleges. fn

—o—

From the 1958 calendar of *Spiritual Mobilization* we quote the following:

We have staked the whole future of American civilization, not upon the power of government, far from it. We have staked the future of all of our political institutions upon the capacity of mankind for self-government: upon the capacity of each and all of us to govern ourselves, to control ourselves, to sustain ourselves according to the Ten Commandments of God.

James Madison

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Anyone writing in a controversial field regrets that he cannot *talk* with readers — hearing what they say and responding to them. Anyone who does not explore his market is sure to miscalculate it; he will manufacture too much of one thing and not enough of another. Our "market" consists of our readers. They may have some questions which urgently need answering, whereas we are belaboring some other point unnecessarily.

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It is only by the friction of ideas that wisdom can be born. fn

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Purpose Of This Issue, A Study Of A Swindle

We continue, in easy stages, to analyze economic problems which are related to ethical problems, that is, related to the Ten Commandments.

In the November and December 1957 issues we analyzed how public dishonesty in regard to *money*, for which dishonesty all voters are responsible, is the cause of what is known as the business cycle, booms and depressions.

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In January 1958 we presented information on *unemployment* and explained that, of the four kinds two are desirable and two are undesirable. The two undesirable kinds are *cyclical unemployment* and *chronic unemployment*.

Astonishingly, it is the accepted policy in the United States to permit and even protect acts which cause chronic unemployment. The penalty of those evil acts has been escaped temporarily by perpetrating a second sin; a combination of two sins is believed to be effective in permanently frustrating the penalties proclaimed by the Law of God!

In this connection we shall pay special attention to the late economist, John Maynard Keynes, the greatest Indian giver in the history of mankind, the man who proposed a system in which labor would be babied by wage increases, which would be taken away by price increases. fn

An Indian Giver

In the United States there is a way of designating a certain kind of people who are called "Indian givers." Indian givers are persons who give you something and claim the credit for it, *but then take away from you what they gave*. What follows can be described as a study in "Indian giving." We shall begin by telling a true story.

At the beginning of the Korean war a few years ago, the directors of a big corporation were holding one of their monthly meetings. The management of the company came to the Board with this question: "Shall we, *on our initiative*, raise wages?"

That was an unusual question. It is considered to be an unfair labor practice for management to give a wage increase without first consulting and getting the agreement of union leaders. To put an increase into effect without the credit for getting that increase going to the union officials, whether they really had anything to do with it or not, is considered to be an act designed to weaken the union. The procedure is that the employer should first submit the idea to union officials. Then he must let them make further demands if they wish, in the name of the employees. If that is done, and the further demands are refused, the increase that the employer originally had in mind looks like an increase

obtained by the union officers. Thus, the union is "strengthened"; otherwise, the union is "weakened."

The first inquiry made by one of the directors in the meeting was: "Are you going to put this into effect through the union officials?" The officers of the company answered, "Yes." Any anxiety of the directors that the company would get into trouble by being accused of an "unfair labor practice" was thereby put to rest.

The next question, by another director, was: "Why give an increase?"

The president answered: "In World War II all wages were frozen as of a certain day. Thereafter, we could not increase wages. If a company paid higher than average wages in its industrial area on the date of the freeze, then that company was able to drain men from neighboring companies which had lower wages. We shall not be able to stay in business if we cannot keep our employes. Here we are at the beginning of a Korean war. Nobody knows how bad it will become. Maybe there will be a new wage freeze. Our wages are now equal to the average of the community. But we would be safer if our wages were 'above the average.' Then as far as manpower is concerned—if a wage freeze comes—we shall not have trouble keeping our men. In fact, we can gain men from other plants."

The next question was: "Do you propose to raise wages 'across the board'?" meaning thereby an increase for everybody. To this the answer was, "Yes."

"How much will it cost?" The figure was given.

"Can we afford it?" "Yes, business is good. Orders are rolling in because customers are protecting themselves by buying ahead. They are afraid they may not be able to get deliveries later because of Korea."

Someone turned to a director who had a big business of his own, and asked him whether he had increased wages. He answered, "Our situation is different. We do not have a union in our plants. We treat the men as individuals. There are *individual increases going through all the time*, every day of the year. We

never make 'across the board' increases. The men like it better the way we do it. We have never had a shortage of men."

After the foregoing discussion, and also on other phases of the problem, a director made a motion; it was expressed as follows: "I move that the management be authorized to put the proposed increase for employees into effect at once, and then immediately take it away from them."

This motion caused a stir. It sounded like a riddle. How give an increase in wages and salaries to all employees, and then take it away from them the next day? The others asked: "What do you mean?"

To this the director who had made the motion answered: "Raise prices." This required more explanation before it was accepted. The explanation given was as follows: "If we increase wages and if other companies do the same, and then *if we increase prices proportionately and others do the same*, then the wage increase means nothing. It costs as much more to live as the wages have increased. If this Korean situation develops as the management thinks it will, then the thing for us to do is to move faster than others. We should raise wages earlier than the others and we should raise prices earlier than the others. We shall be able, then, to keep our men, and we shall not have shrunk our profits at all. *But we must move promptly*. We may be too late already. If the government establishes price and wage freezes, it will undoubtedly follow its earlier practice of making them retroactive, and if they make them retroactive earlier than the date of our own increases in wages and prices, then we must return to our old wage and price structures."

Another director interrupted. He said, "In my own business we were lucky in World War II. We moved up the prices of our products earlier than the rest in our industry. When the date for the freeze to go into effect was finally announced by the government, it turned out to be *later* than our date but *earlier* than the price changes of our competitors. They all had to move their prices back and their profits were squeezed."

By this time the thinking of members of the Board was sufficiently clarified so that they were in a frame of mind to increase

wages. The motion was reformulated into two: (1) to increase wages at once in cooperation with the union officers (according to the usual horseplay); and (2) because costs of material and labor were increasing, to put a price increase into effect immediately afterward. Both motions carried.

The idea originally expressed by one director, "to give an increase, and then to take it away," was fully accomplished by the two separate decisions. He had expressed the basic *economics* clearly and from a comprehensive viewpoint.

What was done in this actual instance with candid awareness and foresight is obviously the general and enthusiastically accepted policy of the people of the United States, employees as well as employers. We conduct our whole labor and pricing policies according to the same, cynical principles. The only difference is that few people realize it. One of the saddest phases of the situation is that many religionists and educators enthusiastically endorse exactly the same program under high-sounding words as righteousness, justice and brotherly love. Union spokesmen are aggressively in favor of the program just outlined; they love it. Their jobs largely depend on keeping in effect the policy outlined.

We shall in the following pages endeavor to explain the self-deception and destruction which is going on in the United States according to the foregoing pattern. We wish to explain this so that the wage earner who is being deceived by this phenomenon will have his eyes opened to the evils of the ethics of union pressure by secular and "Christian" unions alike, of inflationism and of the social gospel.

As a sequel to the story just told, we might add that the management carried out the program. Although there was no wage or price freeze in connection with the Korean war, orders were good, prices rose, profits were satisfactory, and the men were happy with the increase. In fact, they all "lived happily thereafter."

What was a special case in this corporation, and was considered as such, is unfortunately the *systematic case* in the United States generally.

A great deal of skullduggery can be accomplished if you do not candidly explain matters to people, if your program is planned craftily, and if you make each of the required moves at the right time and in the right sequence. fn

Outline Of Propositions To Be Explained In What Follows

So that readers may readily understand the general idea of what follows, we here present seven propositions:

I

One of the evils in the United States today is the policy and conduct of labor unions. Their program is essentially based on a violation of the Sixth Commandment, Thou shalt not coerce (or in traditional phraseology, kill).

II

The consequence of this evil is not the prompt destruction of capitalism and prosperity, but the eventual destruction. The *immediate or direct* consequence of the violation of the Sixth Commandment by the labor unions is (or ordinarily would be) *chronic unemployment*. (See January 1958 issue, pages 22-24.)

III

But chronic unemployment is not politically acceptable to the people of the United States. They will not "stand for it." The clamor (naturally, and reasonably, too) is for "full employment." (Full employment is, of course, the opposite term for chronic unemployment.) The head of the present administration in Washington has said that his party deems it its duty to provide full employment.

IV

A way must be found to escape the chronic unemployment resulting from coercion. There is a way. And it has been "found." That way consists in putting out more and more *fiduciary media* directly or indirectly.* The increase in the quantity of fiduciary

*To explain the *indirect* ways for putting out fiduciary media will interrupt the reasoning at this time, and will entail too many technicalities.

media increases the total quantity of money in circulation. Increasing the quantity of money *raises prices*.

V

Now what happens? There is no chronic unemployment after all. Why not? Prices go up. Whereas an employer *could* not pay the higher, uneconomic wages (extorted by the unions) at the old prices for goods he sells, he is now able to pay those higher wage rates on the basis of the higher prices he gets. The price increase has restored the normal ratio of prices to wages. What really has happened? The wage earners have been given an increase, and then (through the action of the government by inflationism) the increase is in reality taken away from them.

VI

Two sins have been committed: (1) the sin of coercion by the unions (violation of the Sixth Commandment); and (2) the sin of theft, by putting out fiduciary media (a violation of the Eighth Commandment).

The idea that people seem to have is that two sins will successfully annul each other. Let us rub our hands with pleasure; we have found a way of frustrating the law of God! Our sins will *not* find us out!

VII

But we are deceiving ourselves. Scripture declares that "God is not mocked." Putting two sins together — violence followed by fraud — will not outsmart the moral law. How will the delayed penalty for this combination of sins eventually show up? In this manner:

(1) In continuous inflation; *this is far worse than booms and depressions*;

(2) In the corrupting (by inflation) of all future planning by anybody and everybody; nobody *can* think straight any more in business or in planning his financial affairs;

(3) In eventual social and business collapse, which inescapably follows from (1) and (2);

(4) In a turn by people, who are confused and frightened, from a corrupted capitalism to complete socialism (one form of tyranny), or to dictatorship by a "strong man"—a Napoleon, a Hitler, and men of the same type (another form of tyranny). These systems cause poverty, misery and unhappiness.

* * *

And so there is no trick, after all, by which the Commandments of God can be successfully frustrated. We are deceiving ourselves when we expect it.

The pattern which we have outlined is obviously, *in principle*, exactly the same pattern as that of the Board of Directors in the preceding article, which they put into effect as a special case (in self-defense against the dangerous combination of circumstances which they feared would occur).

The basic idea in the United States in regard to wages is:

Placate the wage earner: (1) give him the wage increases which the union leaders demand for him, in order to seduce him into believing that they are doing something for him; but, (2) then let it be taken away from him in the form of increased cost of living (higher prices). fn

John Maynard Keynes, First Baron Of Tilton (Prophet Of A New "Morality")

The First Half of The Twentieth Century In United States Economics

The economic troubles of the western world can be ascribed to many causes. An Old Testamentish attitude is to ascribe those troubles to *sins*. In that vein we get the following:

1. United States' capitalism has prospered better than what existed before it, because it was essentially based on the Laws of God — on noncoercion (freedom), honesty and property rights.

2. But early a basic dishonesty in regard to money, namely, the putting out of fiduciary media, disfigured capitalism by causing booms and depressions. These booms and depressions were always bad, but not *too* bad, until we changed the system in

1913 (by the formation of the Federal Reserve System), so that booms could be bigger and longer, which entailed however that the depressions would be proportionately worse. That worse depression happened in 1930-34. Remember?

3. That terrible depression in the early "thirties" unhinged the judgment and destroyed the economic perspective of nearly everybody. The United States went off the gold standard (wholly unnecessarily), and consequently we exposed ourselves not merely to the upswings and downswings of the business cycle but even worse, to inflationism; continued inflationism is a far greater evil than the business cycle.

The sequence had been before 1914: (1) a moderate economic sin and a moderate economic penalty; then from 1914-1932, (2) a bigger sin and an eventual bigger penalty; finally, since we went off the gold standard in 1933 (3) we think the sequence is that we can sin gloriously without a penalty in the form of a depression because we can keep on inflating and inflating. However, there will be a bigger penalty from that than any depression we have ever had.

4. The shock of the great depression in 1930-34 influenced wage earners as much as politicians and business men. Consequently, wage earners grasped more insistently and firmly the (unwarranted) power which they had acquired to coerce society by strikes, closed shops, etc. Unions acquired so many preferential privileges under the law that they *could* force wages above the economic (that is, the unforced, natural) level, and they have done so. That, however, caused serious chronic unemployment, which we had from 1935 to 1940 (until World War II). Do you remember the millions permanently unemployed in the period from 1935 to 1940? *That* was chronic unemployment. Chronic unemployment is the inescapable penalty in consequence of the sin of union coercion or any other evil which is essentially similar coercion.

5. Nevertheless, beginning with World War II there has been no chronic unemployment. That avoidance of chronic unemployment has been accomplished by means of serious inflationism. *That inflationism has raised prices as fast as the unions have*

forced wages above their natural level. The case is like the one of a cat chasing its tail; first, wage coercion requires price inflationism or else there will be chronic unemployment; then, that price inflationism "justifies" further wage increases.

The Need Of An Advocate To Justify Coercion And Fraud

There are so many features of the scheme just outlined which are obviously bad that it is not necessary to be a moralist or an economist to have serious misgivings about the whole business. Consequently, there was serious danger that the whole scheme would not be accepted. The program, therefore, required an apologist or rather an advocate. Providentially for this program the "right" man appeared on the scene, John Maynard Keynes. He became the recognized prophet of the new morality. Coercion and fraud were to be the handmaidens of the new brotherly love and the pillars of the new prosperity. He said: the capitalist principles, noncoercion and honesty, contribute to injustice to those who do not have capital and to chronic unemployment. Moses and Solomon and the rest were wrong when they said that obedience to the Commandments of God brought prosperity! Just the opposite is true, according to the Keynesian doctrine.

There was an exception, Keynes admitted. The ideas known as Classical economics (which he attacked) in a particular combination of circumstances *could* work out well as the classical economists had declared that they would. But, Keynes said, that required a favorable combination of circumstances which never really occurred. Consequently, he declared that noncoercion and honesty were not the seed beds of prosperity, but rather the seed beds of chronic unemployment and of less prosperity than was attainable.

This Keynesian doctrine, unfortunately, is looked upon by many politicians, economists, business men, labor unionists and social gossellers as a great insight.

John Maynard Keynes As A Man

John Maynard Keynes was born in Cambridge, England in 1883. When he died in 1946 he was a Director of The Bank of England and a peer of the Empire, First Baron Keynes of Tilton!

He was educated at Cambridge where he was a student under Alfred Marshall, the famous Cambridge economist, a man apparently in the Classical tradition, but essentially a deviator from it and an unfortunate influence on later economics in England. Keynes, after graduation became a civil servant (bureaucrat); then worked on monetary problems of India, and in 1915 when 32 years old joined the British treasury.

He worked on the peace treaty with Germany after World War I, but resigned in order to write a critical book entitled *The Economic Consequences of the Peace*. He had reached the conclusion that the Reparations which were demanded of Germany were excessive.

Keynes became more famous in the Great Depression in 1930 and thereafter. He then became the fountainhead of the idea of "spending one's way to prosperity." In 1936 he published the book by which he is best known, *The General Theory of Employment, Interest and Money* (Harcourt, Brace & Co., New York, 1936). People wanted government aid and the government in turn wanted to obtain votes by aiding the people. Erring capitalism with its depressions was considered *unplanned* and *unstable*; people thought that we needed a *regulated* economy. They also thought that there was not enough *demand*; production was believed to have outrun requirements. Further, there appeared to be a great shortage of money; more money seemed to be required.

Keynes's book was the answer to the wishes of people with those ideas. They themselves did not understand the real situation. Practically none of them knew the consequences of putting out fiduciary media. They did not realize that the conditions in 1930-34 were a result of past sins and follies. The solution at which these people grasped was not the real solution but a palliative; they wanted assistance from an agency that could not really assist, namely the government; they wanted more money because they thought money would solve the business problems of the world. However, these people were unhappy because they could not find a moral or logical excuse for what they wanted to do. They were like a thief who wanted an excuse for robbing a bank, but could not find the excuse.

Keynes did for these people even more than they fervently wanted. In the first place he told them that there had been too much freedom; secondly, far too much saving; thirdly, that everybody would be happier if wages and prices kept rising *all the time, endlessly*; that the real rascals in the community are the thrifty people, the savers; that the real benefactors of society are the spenders—the bigger spender that a man is, the greater social asset he is; that the rewards for thrift (interest, rents and profits) are far too high; and that those with large incomes should be taxed so heavily that there would be a “*euthanasia of the rentier*,” that is, a “painless death of the capitalist as capitalist.” (A capitalist is anyone with an *unearned* income. Readers will remember that Marx, father of modern so-called scientific socialism, similarly basically attacked *unearned* income. Unearned income is the core of the great dispute regarding *justice*, between Moses versus Marx and Capitalism versus Socialism. Keynes held the same idea that Marx had held but was more cautious in formulating his ideas.)

Keynes, then, was no prophet of what was unpopular. Prophets ordinarily are, but Keynes was a prophet of what people wanted to hear. His popularity was instantaneous. Who would not be a popular prophet if he boldly teaches that real morality consists in coercion, fraud, covetousness, alienation of property! Nobody thought of throwing Keynes into a lion's den as a Daniel; or in the oozing mire of a deep well as a Jeremiah; nor was he hunted as an Elijah; nor was his head cut off and delivered on a platter, as a John The Baptist's. If you select your message shrewdly, then you can be a *popular* prophet.

In 1941 Keynes — “believe it or not” — was elected a director of the Bank of England. In 1942 he was made First Baron Keynes of Tilton. He participated in the important Bretton Woods conference after the end of World War II.

Before he died in 1946 he was the most famous English economist. *The Encyclopedia Americana* says of Keynes: “He was generally considered to be Great Britain's most brilliant and influential economist.”

Keynes, As Father Of The New Deal

The Encyclopedia Americana says of Keynes (our italics):

During the 1930's he diagnosed the cause of the depression as a lack of mass purchasing power caused by severe deflation and recommended wide government spending to restore prosperity. Although this theory did not win much favor with the British government, it formed the basis for President Franklin D. Roosevelt's New Deal recovery program.

Keynes although not a citizen of the United States actually wrote a long personal letter to Roosevelt outlining how the United States should spend its way to prosperity. Keynes's ideas became the economic bible for Roosevelt's administration.

It is, however, a profound mistake to consider Roosevelt's administration to have been the only one influenced by Keynes's ideas. The present administration of Eisenhower is based almost as much on the principles of Keynes as was Roosevelt's. Any difference that exists is one of degree; the Eisenhower administration is a little more restrained and somewhat less demagogic.

Keynes As An Economist

The Encyclopedia Britannica has this to say of Keynes:

[He looked at] economics not as a descriptive science, but an instrument of social control for objectives as maximum national income, full employment, international monetary stabilization.

These objectives can be attained by the Commandments in the Second Table of the Law of God, that is, by freedom, noncoercion, honesty, safety of property; or they can be attempted another way, namely, by government regulation, coercion, increasing the quantity of money, and by confiscatory or at least punitive taxation. The ideas of Keynes were completely in accord with the second group of means, and completely in disaccord with the first group.

The Encyclopedia Britannica goes on to say that Keynes's book on *General Theory*:

attempts to show that the achievement of full employment is not likely to be accomplished by an automatic

mechanism, but rather by the production of capital goods, a cheap money policy*and public investment as well as by the stimulation of consumption through the reduction of saving.

Keynes disliked a free market, something so-called "automatic," that is, unregulated; he wanted instead regulation — interventionism. His confidence was in "cheap money" and increases in the quantity of money; also in "stimulation of consumption" and "reduction of saving." This reduction of saving was to come (as we have mentioned already) primarily by the "euthanasia of the rentier."

The foregoing quotation is the restrained language of the *Encyclopedia Britannica*. In our language Keynes's program was the program of coercion by government and unions, plus inflationism (theft by putting out more and more fiduciary media), plus confiscation of property by greatly reducing (practically eliminating) the rate of return on savings, and by steeply progressive personal taxes. fn

Keynes, On The Virtue Of Extravagance (Or The Evils Resulting From Saving)

Keynes has a "complexified" style of writing. It is, therefore, somewhat difficult to quote him adequately except lengthily. The following quotations are subject to that observation, but the reader may be assured that we are correctly quoting and interpreting the real thrust of Keynes's ideas.

Chapter 23 of Keynes's *The General Theory of Employment, Interest And Money* has the title, "Notes on Mercantilism, The Usury Laws, Stamped Money and Theories of Under-Consumption." This is a historical chapter. Maybe at this point a remark should be made in regard to the position of Keynes in the history of thought and the originality of his thinking.

Keynes's ideas were merely a revival of *old* ideas. There was no originality in them. *Mercantilism* can be described as the system of Louis XIV in France, or the French economic organization prior to the French Revolution. That was a notoriously burden-

some and oppressive system. Mercantilism stood for endless government interventionism, for the denial of economic freedom. Everything was regulated — production, employment, prices. Red tape controlled every action. Mercantilism was the paradise of the bureaucrat. One of the great benefits of the Industrial Revolution was the Western world's escape from the shackles of Mercantilism. Essentially, Keynes was a throw back to Mercantilism. He espoused its fallacies. He had implicit faith in government *regulation* (interventionism). He was a "reactionary." What people consider new in Keynes's thinking was merely his confusing economic lingo plus the use of some mathematical equations which gave the impression (false, by the way) of reliability and accuracy.

As the title of the chapter we have just quoted indicates, Keynes gives some consideration to "theories of underconsumption." The term "underconsumption" is characteristic of Keynes. It is the same as "oversaving." Keynes is attacking the view that "saving" is a virtue. Rather than to do that directly and raise doubts in people's minds regarding how he (Keynes) could be right about attacking *saving*, he changes the nomenclature from saving (or oversaving) to *underconsumption*. People obviously will be more ready to accept the idea that there is *underconsumption* than *oversaving*. (Everybody knows how hard it is to save and few people think they have enough savings. Few believe that they are *oversaving*.) The dialectics are clever. This is the type of mind that Keynes had.

Let us quote (p. 358):

It is no new thing . . . to ascribe the . . . [existence] of unemployment to the insufficiency of the . . . propensity [inclination] to consume . . .

Keynes quotes favorably from Mandeville's *Fable of the Bees*, a poem which tells the alleged terrible results in a formerly "prosperous community in which all the citizens suddenly take it into their heads to abandon luxurious living, and the State to cut down armaments, in the interest of saving." Here is a paragraph quoted by Keynes from Mandeville (pp. 360-361):

Now mind the glorious Hive, and see
How Honesty and Trade agree:
The Shew is gone, it thins apace;
And looks with quite another Face,
For 'twas not only they that went,
By whom vast sums were yearly spent;
But Multitudes that lived on them,
Were daily forc'd to do the same.
In vain to other Trades they'd fly;
All were o'er-stocked accordingly.
The price of Land and Houses falls;
Mirac'lous Palaces whose Walls,
Like those of Thebes, were rais'd by Play,
Are to be let . . .
The Building Trade is quite destroy'd,
Artificers are not employ'd;
No limner for his Art is fam'd,
Stone-cutters, Carvers are not nam'd.

The language is old fashioned and quaint, but careful reading will make clear that Mandeville — and Keynes — condemned saving and laud extravagant living. They regretted that the "show" was gone; that "vast sums" were no longer spent; that "multitudes" allegedly dependent on extravagance were out of work, that prices fell, that the building trades were idle, that skilled craftsmen as stonecutters were unemployed.*

Keynes goes on to write (p. 362):

No wonder that such wicked sentiments [as in Mandeville's poem] called down the opprobrium of two centuries of moralists and economists who felt much more virtuous in possession of their austere doctrine than no sound remedy was discoverable except in the utmost of thrift and economy both by the individual and by the state. Petty's "entertainments, magnificent shews, triumphal arches, etc." gave place to the penny-wisdom of Gladstonian finance and to a state system which "could

*There is profound confusion in ideas in Keynes's thinking which we cannot digress to analyze here. The fact remains that underconsumption (oversaving) was, in Keynes's estimation, the great evil of modern society. He glorified the spender.

not afford" hospitals, open spaces, noble buildings, even the preservation of its ancient monuments, far less the splendours of music and the drama, all of which were consigned to the private charity or magnanimity of improvident individuals.

Keynes here sarcastically attacks the economics of the administration of William E. Gladstone (1809-1898), the great prime minister of England, in whose century England made as large economic gains as at any time in its history. It is this thrift which Keynes derides and condemns. He sneers at Gladstone's "penny-wisdom."

Not enough consumption! That is Keynes's basic idea.

Moses viewed things differently. He did not talk at all about an inadequate "propensity to consume." He assumed that the propensity to consume would exceed production, and that there would always be a *welfareshortage*. But Keynes, the modern, says the propensity to consume is inadequate to keep all men employed; consequently because of an inadequate propensity to consume there is *chronic unemployment* in modern capitalist societies. The poor and rich *savers* are the culprits. To obtain full employment (the opposite of chronic unemployment), according to Keynes:

1. There should be less saving in total;
2. Rather than save, men should live more extravagantly, because extravagance creates work;
3. In order to be sure that there is not too much saving, the government should tax more heavily, and freely spend the money raised by taxation.

Poor Moses. He thought the problem was production. What an error. Keynes has enlightened us. The problem is instead an inadequate "propensity to consume." (We shall give further consideration in the next issue to the allegation of an inadequate propensity to consume.)

Readers will realize that PROGRESSIVE CALVINISM, following Ludwig von Mises as explained in recent issues, has an altogether different explanation of chronic unemployment and of the business cycle (booms and depressions) than Keynes. fn

Keynes, The World's Champion Indian Giver

The second article in this issue tells how it may appear that something has been given to you or that you have obtained it but how in reality you have not really gained anything at all. That is, you are eventually in the same position that you were originally. In order to make this point clear in regard to wage rates, we told the story of what happened in a specific business at the beginning of the Korean War, and how the event described should be interpreted.

The basic idea is simple. An increase in wages does not provide an improvement for the wage earner in the same percentage as his wage is increased unless the cost of living does not increase at all or at least does not increase as much in percentage as wages have been increased. This idea is readily understood by everybody. Even people generally uninformed frequently talk about a wage increase not having done them much good because the prices of goods and services have gone up proportionately. Now if that happens without design and unintentionally then it is just one of those things which disappoint us in life, but the situation takes on another appearance if it is the design — the deliberate intention — of someone to have an economy in which:

1. Wages increase; but then
2. The cost of living follows it upward.

That was the kind of economy that John Maynard Keynes considered preferable; namely, arrange things (1) so that wages constantly rise regardless; (2) that the cost of living rises with it.

In this connection Keynes stresses his distinction between *money wages* and *real wages*. He says that it is possible for real wages to go down at the very time that money wages are going up, that is, although wages may be increasing the cost of living may be increasing faster; really, then, the wage earner is worse off than before; his real wages are declining. However, Keynes undertakes to be a psychologist and he declares that a wage earner will tolerate that, to wit, that the cost of living advances faster than money wages. Keynes's point is that *money wages* control the thinking of wage earners.

He discusses the question of a reduction in money wages for wage earners. He declares that wage earners will resist a reduction in money wages vigorously, even at a time when *real wages* are increasing (because the cost of living is falling more rapidly than money wages). He declares that wage earners will be disposed to strike before they accept a reduction in *money wages*, but that they seldom think of striking when their *real wages* go down (because of an advance in the cost of living).

Keynes explains that it is somewhat futile for a particular group of wage earners to strike because they do not consider their *real wages* to be adequate, but that it is effective for them to strike for *money wages*.

He writes on page 9 of his book, *General Theory*:

Now ordinary experience tells us, beyond doubt, that a situation where labour stipulates (within limits) for a money-wage rather than a real wage, so far from being a mere possibility, is the normal case. Whilst workers will usually resist a reduction of money-wages, it is not their practice to withdraw their labour whenever there is a rise in the price of wage goods [an increase in the cost of living]. It is sometimes said that it would be illogical for labour to resist a reduction of money-wages but not to resist a reduction of real wages. For reasons given below (p. 14), this might not be so illogical as it appears at first; and, as we shall see later, fortunately so. But, whether logical or illogical, experience shows that this is how labour in fact behaves.

What Keynes is saying is that wage earners will resist a reduction in money wages and will refuse to work or will even strike against a reduction in *money wages*, but that they will not equally resist a reduction in *real wages* (that is, because prices have gone up and so the cost of living has gone up).

Keynes goes on to say in his Chapter 19 which has the title "Changes in Money-Wages," page 264:

. . . since there is, as a rule, no means of securing a simultaneous and equal reduction of money-wages in all industries, it is in the interest of all workers to resist a

reduction in their own particular case. In fact, a movement by employers to revise money-wage bargains downward will be much more strongly resisted than a gradual and automatic lowering of real wages as a result of rising prices.

On pages 13 and 14 Keynes writes:

Though the struggle over money-wages between individuals and groups is often believed to determine the general level of real wages, it is, in fact, concerned with a different object. Since there is imperfect mobility of labour, and wages do not tend to an exact equality of net advantage in different occupations, any individual or group of individuals, who consent to a reduction of money-wages relatively to others, will suffer a *relative* reduction in real wages, which is a sufficient justification for them to resist it. On the other hand it would be impracticable to resist every reduction of real wages, due to a change in the purchasing-power of money which affects all workers alike; and in fact reductions of real wages arising in this way are not, as a rule, resisted unless they proceed to an extreme degree.

* * *

Thus it is fortunate that the workers, though unconsciously, . . . do not resist reductions of real wages, which are associated with increases in aggregate employment and leave relative money-wages unchanged, unless the reduction proceeds so far as to threaten a reduction of the real wage below the marginal disutility of the existing volume of employment.

Keynes elsewhere outlines what he thinks should be the basic policy in regard to wages:

1. The wage earner is happy when his *money* wages continue to go up and up. (This is accomplished in our modern economy by the wage coercion of labor unions and the extraordinary legal privileges that the law grants to them.)

2. The wage earner will not be too unhappy about an increase in prices and in the cost of living; in fact, he will tolerate

a decline in *real income* provided he has an increase in *money income*. (What Keynes is really saying is that a wage earner will tolerate a situation as follows: (1) an increase in wages of 10% followed by an increase in the cost of living of 15%. If that happens the wage earner will not strike, but if on the other hand the cost of living goes down 10% and the employer finds it necessary to negotiate to reduce wages only 5%, then the wage earners will probably withdraw their labor and strike.)

A little thought will make it obvious that Keynes believed that society should have systematically the policy outlined in the second article in this issue entitled "An Indian Giver."

The two pillars on which Keynes was building his economic structure are these two: (1) babying the wage earner by letting him have constantly increasing money wages; and (2) letting cost of living (prices) go higher and higher by the steady issuance of more and more fiduciary media, thereby taking away from the wage earner increases in *real wages*.

Keynes is the high priest of the real modern economy, to wit: (1) the toleration of labor coercion to get higher money wages; and (2) the steady inflation of all prices, with which everyone is so well acquainted today. fn

It Is Silly To Try To Deceive The Wage Earner

Keynes's whole case rests upon the assumption that wage earners are more concerned about their *money wage* than they are about their *real wage*, that is, about how much they can buy with the money they get. This assumes essentially that the wage earner is a fool. That assumption is erroneous.

Keynes's wage policy has been in effect fully in the United States only since World War II. The unions have acquired great power; they deliberately force the wages above their economic point. Prices are then increased. The question is this: how long will it take the wage earner to discover that he is like a cat chasing his tail; how long, in other words, will it take before the wage earner demands a protection for his *real income*?

Here is the answer: it took only a few years, and then the demand on the part of the labor unions became effective, for

what are known today as "cost of living" adjustments in wages. One of the largest and best known corporations in the United States, General Motors Corporation, felt itself obliged to sign a union contract with the United Auto Workers providing that *wages be adjusted at regular intervals to changes in an index of the cost of living.*

Every union contract that has a cost of living wage adjustment clause in it is an obvious mockery of Keynes's idea that the wage earners are interested in *money* wages and not in *real* wages. Not all contracts have cost of living clauses but practically every contract has an annual wage reopener, and one purpose of wage negotiations by unions is to take into consideration changes in the cost of living.

Therefore, experience makes it obvious that Keynes's proposition that wage earners are more interested in money wages than real wages is false; wage earners are not fools; they are not determining their position according to *money* wages, but according to *real* wages. fn

Traditional Capitalism's Policy Just The Reverse Of Keynes's

Keynes has been probably the most effective socialist in the twentieth century. The reason for his effectiveness is his "moderation" in how he formulates the same basic principles that Karl Marx held. (A moderate statement has more effect than an extreme statement, as is well known to Englishmen who are taught to engage in understatement rather than overstatement.)

The attitude in regard to wage rates and commodity prices (cost of living) on the part of traditional capitalism is just the opposite of that of Keynes. In fact the two policies, Keynes's on the one hand and traditional capitalism's on the other, cannot be reconciled.

The essential nature of capitalism is to reduce prices. Capitalism depends upon competition. Everybody knows that the tendency of competition is to force prices downward. The greatest businessmen that have lived in the United States have concentrated their business attention on one problem, *reduction in costs*, giving

more per dollar charged. Those men have had a fever in them, like malaria, to reduce costs. That in turn permitted them to reduce prices, or if they maintained prices, to give an improved quality or otherwise better product for the same amount of money.

Under capitalism, therefore, the natural tendency would have been not for prices to increase but to decrease. If, for example, someone when young had a wage of \$20 a week which would buy a certain amount of goods, under a truly capitalist economic structure that same workman 40 years later might still be earning \$20 a week, but *because prices had dropped that \$20 might buy two times more at the later date than the earlier date.*

It is easily possible that in a genuinely capitalist economic structure not only prices would drop but wage rates might also drop, *but in lesser amount.* In such a case prices might drop say 50% and wages drop say 15%. The worker, of course, will be better off in such a case by 35 points. The *real wage* had increased although his *money wage* had decreased. This situation was considered by Keynes to be psychologically unacceptable to the wage earner.

In the United States and throughout the capitalist world generally there has been an unfortunate deviation from sound monetary principles which has resulted in the general price level being largely influenced by the immoral issuance of fiduciary media; see November and December 1957 issues of PROGRESSIVE CALVINISM. If that had not become the established policy in the Western world the price level would have been determined by the amount of gold mined and diverted to monetary purposes.

No one can predict exactly what the trend of the price level would have been under conditions of genuine monetary honesty, but we believe that the trend of prices would have been steadily downward. Further, that the trend of wages would also have been steadily downward, *but at a less rapid rate than prices declined.*

Such a situation might appear alarming to some people. They might say that such a trend in prices of wages and goods would be a burden on the debtors and a windfall to the creditors. That view, however, can be dismissed as erroneous. If everybody expects prices (and wages) to decline over a period of years, then all long-time contracts, except those made by fools, will have

terms which assume exactly that phenomenon. The creditor will expect an advantage from the reduction in prices and the debtor a disadvantage; the deal they will make will reflect those expectations *and consequently neutralize them*. In contrast, if the expectation is for rising prices and wage levels, smart people make their long term contracts with that expectation in mind. In that case the creditor expects to receive a disadvantage and the debtor an advantage. Again, both sides take that into account and the contracts have terms accordingly.

There is a *very* important difference between the two conditions: in the one case the quantity of money *cannot* be increased or decreased *at will*, but is affected by the basic costs of mining gold; in the second case the quantity of money can be *arbitrarily* increased or decreased depending upon human judgment, weakness and cupidity in the form of an inclination to increase the quantity of money as an easy solution to obtain purchasing power. In the first instance, businessmen and wage earners can make their decisions without expecting an arbitrary human element to be injected; in the second case they are pretty much at sea on what will happen, except that they know that, human nature being what it is, the quantity of money will be increased unduly.

That, in fact, has been the fatal mistake of "capitalism." Early in its career in the Western World it adopted the policy of putting out fiduciary media. No more unfortunate decision could have been made.

But in any event, in proportion as Keynes's basic ideas prevail, capitalism is handicapped and will probably eventually be destroyed. A so-called capitalist economy which is not based upon the gold standard, but has a money structure unhinged from gold, is certainly doomed sooner or later. fn

The Economic Policy Of The United States Is Based On Keynes's Ideas

The Common Goal

Keynes founded his whole economic program on *full employment*. Everything else was made subservient to that. That is merely an objective, excellent in itself. The real question is, what are the *means* to attain that objective?

The same holds true today for the economic policy of the United States. The president has said that the creation of prosperity (*full employment*, of course) is considered to be a duty of the administration which he heads. The minute that employment statistics show a downward trend everything possible is set in motion to change it.

Full employment has a wonderful appeal. Who is there that does not want it? Every employer wants it so that demand for his products will be good; every employe wants it so that he may surely be employed.

Unless it is realized that full employment is the center of gravity in all thinking in the United States, it is not possible to see in the right perspective what is going on.

The Alternative Means

There is a "high road and a low road" to attain that goal of *full employment*.

The high road is noncoercion, freedom, honesty in regard to all activities, in respect to all labor, business and money matters. It is the road Scripture outlines, and the road that genuine classical economics has graded and paved, so that it has become or can become a turnpike to prosperity.

The low road is coercion by government and labor unions, followed by dishonesty in regard to money. This is the Keynesian road and the present American road. We are traveling it with the thought that we will come out all right. We shall not.

The Popularity Of The Low Road

The labor union movement rests on a false premise, namely, the premise that in a free society a segment of that society can help itself at the expense of the rest *by coercion*.

That is not the way the labor movement puts it. The idea of the unions is that they can better their position by coercion, by collective bargaining. *Bargaining* is not the right word; it should be *threats* or *power*. The action on the union's part is collective threats or collective power. That power has been acquired by the

labor unions by preferential laws and court decisions. No group in our society has ever had so much preferential consideration as the labor unions now get.

If Scripture teaches anything it is that the road to stable prosperity does not consist in violence and coercion.

One of the greatest economists in history, Eugen von Böhm-Bawerk wrote an essay on *Macht oder Economisch Gesetz*, which has been translated with the feeble title, *Control or Economic Law?* A better translated title would be, *Which Will Win Out Finally, The Exercise of Power or Economic Laws?* Böhm-Bawerk's irrefutable answer is that all the power, coercion, violence, might (*macht*) in the world will not triumph over *economic law*. We, in this hybrid economic-ethical publication, would say it differently: power, coercion, violence, might, preferential laws, demagogic decisions by boards or judges, or pious talk by moralists, none of these will nullify the Law of God. (As always the Law of God and true economic laws are identical.)

The Consequences Of The Low Road

All the coercion of labor unions has an inescapable series of consequences. They are:

Firstly, *chronic* unemployment. Prices for labor have been forced higher than the market for commodities and services will tolerate. Employers cannot and will not employ anymore. They lose money because they are squeezed between high labor rates and prices for commodities which are not high enough to meet all costs. It is *economic law* that men will not continue to do that which causes them losses and is against their interests.

But unemployment is exactly what people do not want. They want instead *full employment*. What can be done now, to escape chronic unemployment caused by coercion? Either, a cure for the wage price squeeze must be found or the program of union coercion must be abandoned. As the latter (union coercion) is everywhere accepted, and is the doctrine which this country does not wish to abandon, the correction is sought in something else than abandonment of coercion.

And so we come to the next consequence of following the low Keynesian road, namely:

Secondly, *inflationism*, the putting out of more and more fiduciary media.

Fiduciary media is really "phony money." The sole purpose of fiduciary media is to *increase* the supply of money. Increasing the supply of money raises prices. When prices rise men can again be employed at the excessive wage rates. But now after the inflation the wage rates are not excessive anymore.

We get a round of events, higher wages make for higher prices, higher prices make for still higher wages, etc., etc. The whole world is following this road today, at varying speeds.

The people of the United States have no intention of getting off that road. Consequently, we are headed for sure ruin. If not, what Scripture teaches about morality is not worth the paper on which it is written.

However, it is important to note that inflationism is not the voluntary policy of the United States. This country is compelled to go the inflationary route because of a prior sin, union coercion.

* * *

We shall tell you in our next issue how you can *personally* escape the consequences of these public sins *temporarily*. But we shall all be punished for our iniquities. There is no escape from economic law, or, in Biblical language, from sins.

If you believe that inflationism has been permanently successful, let us know when, where and by whom. fn

Keynes As A Socialist

The last chapter in Keynes's *The General Theory of Employment, Interest and Money* has the title, "Concluding Notes on the Social Philosophy Towards Which the General Theory Might Lead." The title is indicative that Keynes proposes to summarize his "social philosophy," that is, whether he is a capitalist or a

socialist. No one reading this chapter can conclude that Keynes was in any sense in favor of capitalism.

Here are some basic ideas which Keynes presents in his last chapter:

1. Capitalism has two faults: (1) unemployment; and (2) injustice. He says: "The outstanding faults of the economic society in which we live are its failure to provide for full employment and its arbitrary and inequitable distribution of wealth and incomes." [These two charges are standard charges of socialists against capitalism.]

2. He says that the inequity of incomes and wealth has been reduced by the progressive "income tax and surtax and death duties." [This tax program is the same as Marx's points 2 and 3 in the Communist Manifesto.] But on pages 372 and 373 Keynes makes clear that what he calls "progress" in redistributing income and wealth can well be carried *further* for the public good, as he sees that. He concludes "the growth of wealth . . . is impeded . . . [by] the abstinence of the rich"; therefore, tax them more and spend the proceeds because that helps consumption and consumption promotes investment and such investment promotes employment. On page 374 Keynes has a mild qualification to the foregoing. He finally concludes by a concession, namely to treat men as greyhounds chasing a forever-escaping mechanical jackrabbit; he writes: ". . . it may still be wise and prudent statesmanship to allow the game to be played [the business greyhounds to run], subject to rules and limitations, so long as the average man, or even a significant section of the community, is in fact strongly addicted to the money making passion." Heavier progressive taxation is for Keynes a primary means to a better society in the future.

3. The lower that interest rates go, the better, according to Keynes. The term *interest* here means all rents and profits as well as interest in the popular sense. As was said before, the second great indictment of capitalism by socialists is that it is *unjust*; there should, they say, be no return at all on the ownership of property; Keynes in seductive moderation says, the lower the return on capital goes, the better. He talks hopefully and approvingly of the "euthanasia of the rentier," or in more popular

language the "painlessly induced elimination of the property owner as property-owner." He looks forward to the end of a return on all private property. If capital formation needs to be induced, then that can be met by "communal saving through the agency of the State;" [that of course is the communist system]. However, he advocated that the "painless death" of the rentier [capitalist] be slow; he was against hurrying the process; he was against "for- going our aim of depriving capital of its scarcity-value [and consequently, return] within one or two generations"; [he looked for the death of capitalism in 40 to 80 years!].

4. Keynes conceived "that a somewhat comprehensive *socialization of investment* [our italics] will prove the only means of securing an approximation to full employment; though this need not exclude all manner of compromises and of devices by which public authority will cooperate with private initiative. But beyond this no obvious case is made out for a system of State Socialism which would embrace most of the economic life of the community." In short, he recommends comprehensive state ownership of capital, that is, state socialism. After soothing remarks about what might be left of private enterprise, he adds, "The *central controls* [our italics] necessary to ensure full employment will, of course, involve a *large extension* of the traditional functions of government." He adds that there will still be "a wide field for the exercise of private initiative and responsibility." [The "wide field," we would say, of a sergeant in the conduct of a war!] He has some words of praise for what remnant of Individualism could still exist. Finally, he becomes vague on the very crux of the problem; he says (p. 381):

The authoritarian state systems of to-day seem to solve the problem of unemployment at the expense of efficiency and of freedom. It is certain that the world will not much longer tolerate the unemployment which, apart from brief intervals of excitement, is associated — and in my opinion, inevitably associated — with present-day capitalistic individualism. But it may be possible by a right analysis of the problem to cure the disease whilst preserving efficiency and freedom. [We ask, *how?*]

Keynes in the foregoing proposes:

1. Radical redistribution of income and wealth;
2. Progressive reduction of all return on private investment, and eventual liquidation of all unearned income;
3. Socialization of investment and great extension of government controls;
4. Accomplishment of full employment by means of the foregoing.

Keynes's alleged *purpose* is full employment. The *means* he proposes are essentially the same as those of the totalitarian states, with the vague hope that some freedom may be left. A vain hope, we are sure.

The analysis in PROGRESSIVE CALVINISM following the great economist Von Mises is different. The lack of full employment has had two causes:

1. In regard to *chronic* unemployment the causes are coercive union policies or government interventionism (both of which violate the Sixth Commandment in the Law of God); and
2. In regard to *cyclical* unemployment the cause is variations in the quantity of fiduciary media, the issuance of which is a violation of the Eighth and Ninth Commandments forbidding theft and fraud.

But Keynes rejects those explanations. He approved coercion, theft and fraud; at any rate he did not reject fiduciary media nor union coercion. Instead his hope for full employment is in eventual destruction of private property, the establishment of state ownership of property, and equalization of incomes by progressive taxation.

In short, Keynes was a thoroughgoing socialist, at heart. However, he had a complex and seemingly moderate and qualified way of saying what he said.

Have you ever heard of Keynes's ideas being vigorously attacked in any Christian college in the United States or elsewhere?

fn

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The Plan Which Is Being Followed

Major space was devoted in the February issue to John Maynard Keynes, the late British economist, who was the spiritual godfather of the New Deal and of the present economic climate of thought in the United States. It should be realized that Keynes is godfather to the ideas of both the Democratic and Republican parties.

In this issue we present miscellaneous comments about Keynes's ideas.

* * *

We have in recent issues given major attention to the economics phase of our field of publishing. Beginning with the April issue we plan to revert to some ethical problems.

Readers know of our great interest in what the correct meaning is of the requirement to show "brotherly love." We devoted a large part of the issues in 1955 to that subject. But it has by no means been completely covered. We are, in fact, dissatisfied that we could not devote more space to the problem. We hope to analyze more fundamentally the questions of brotherly love, selfishness, and the propriety and morality of the various motivations men have.

We plan, too, to discuss the "absurd" statement in the Sermon on the Mount, *Resist not evil*. Few of course take that seriously *as it reads*. Some of our readers may know that Leo Tolstoi interpreted that statement *literally*, as being the essence of the teachings of Christ! We cannot accept that pacifism.

Naturally, our approach to these problems will be from the economic side, one of the purposes of our inquiry being to discover what economics can contribute to an understanding of Biblical ethics. fn

Introducing Keynes — A "Play" In Three Acts

(In this play Mr. J introduces Mr. S. Mr. S in turn introduces Keynes.)

Act I — Mr. J

When J died he was 48 years old and chairman of the Board of one of the most famous merchandising corporations in the world.

J was born on a farm in Missouri—but it was not much of a farm, because it was on the fringe of the Ozarks; not exactly “bad lands,” but certainly not good.

J detested farming. *J*’s father was not tolerant about that.

One day in the middle of the afternoon *J* made a sudden resolution. He jerked the reins of the mule team and headed for the barn. He unhitched the team, went into the house, packed a pathetic suitcase and left for St. Louis.

There he got a job; went to a business night school; then continued in regular school work, graduated from college, came to Chicago, became a famous professor, pioneer business man and professional leader.

He was a man with a forward view, one of the finest business analysts in history. His ambition was unlimited. What might have come his way—a senatorship, high diplomatic post, a cabinet membership, the presidency of the United States? Some of these are probabilities and the presidency was certainly a possibility. A man of that calibre.

But although a pioneer thinker in methods of planning for the future, he did not have on his budget his sudden death at 48. He did not know it, but for him it was later than he thought.

J is the source of the information which follows.

Act II—Mr. *S*

In New York City there is a famous investment banking firm; one of the best known in America.

A generation ago a small boy of a poor and immigrant home applied at this banking firm for a job as office boy.

But little *S* could not get a job there. The partner to whom he talked shook his head and said, “You are too small, and we do not need any more office boys. Sorry. Run along.”

But *S* had observed when he came in and went out that the office boys, waiting for calls to run messages, sat together on a bench provided for them. The next morning little *S* was sitting on the bench, and in his turn took care of messages and other duties.

A week or ten days later the partners were at lunch. One of them said to the partner who took care of personnel matters: "Say, Henry, that new office boy you hired is a dandy."

The other partners immediately concurred.

But Henry was mystified. "What new office boy? I've been away, but I have not hired a new office boy in two months."

The matter was investigated, and it turned out that *S* was working for the firm *without having been employed and without being paid*.

But firms do not discharge "employees" with such energy and resourcefulness. Little *S* stayed on and became a partner in a famous banking house. When old he was loaded with honors, directorships, and was everywhere respected for his practical wisdom.

S, himself, personally told the foregoing story of his first employment to *J*.

Act III — Keynes

There was a day when *S* and Keynes became associated. There was a government department in Washington. Two men were appointed to be advisors, or available for advice, to the head of this government department. One was John Maynard Keynes and the other was *S*, then in the prime of his life.

S and Keynes had adjoining offices. Their work involved no routine. They had, in a sense, the leisure or liberty to work on what they wished, except that they were expected to be available when their advice and services were wanted.

Keynes kept bobbing in and out of *S*'s office. He would come in and say, "*S*, what do you think of this idea," which would be some unorthodox scheme.

S would sit and think for a while, and then say, "That will not work, for this reason," and he would go on to explain that the idea could not be worked out in any *practical* way.

Keynes would listen and finally drift back to his own office with some remark to the effect that he realized that what *S* had said was right.

But it would not be long before he would bob in with another scheme which he would again present with enthusiasm as a bright idea. The conclusion was pretty regularly the same, namely, the idea was not practical; or in simple language, would not work; or in still simpler language, was fallacious and wrong.

S told this story to J. J told this story to the writer, as something illustrating the foibles of a famous economist.

Keynes was a man with an understandable vanity about having new ideas. In a practical job he needed a practical man, ex-office boy S, to keep him from putting out fallacious notions.

Unfortunately, Keynes did not have Mr. S around when he wrote *The General Theory of Employment, Interest and Money*.
fn

Two Kinds Of Socialists

There are various kinds and degrees of socialists. Still they can all be covered by one label, that of socialism. We shall endeavor to make clear the important distinction between a socialist who is a socialist in regard to *production* and a socialist who is a socialist in regard to *distribution*. In this situation *production* and *distribution* have economic meanings.

By *production* is meant the organization of society, or in other terms, the economic order. A man is a socialist in regard to the economic order of society if he believes in centralized direction and control of production. He believes in a "plan" set up by a bureaucrat. Of course that means he believes in the right to coerce; if there is a centralized plan, all other plans must be subservient to it. Socialism stands for *centralized* planning. Capitalism stands for *decentralized* planning. The first is tyranny; the second is freedom. An economic order is, therefore, either centrally planned and tyrannical; or it is decentrally planned and is free.

By *distribution* is meant the shares various people get out of what is produced. This distribution to each can be proportionate or disproportionate to the production by each. The socialist principle of distribution is that the shares will *not* be in proportion to production. Its rule is "from each according to his ability to

each according to his need"; this is the famous Law of Love of socialism which outdoes the ancient Hebrew religion and also the Christian religion throughout the ages, up to the time the social gospel took over Christianity. Since then the social gospel's Law of Love has set out to rival the socialist Law of Love. In contrast to the socialist principle of distribution which has just been outlined, the capitalist principle is an exact equality between production and shares in distribution. This, according to capitalism, is accomplished by a *free* market, everybody is able to get for his production what another is willing to pay for it. A large producer in the estimate of his fellows gets a large return; a small producer in the estimate of his fellows gets a small return.

A man can then be a "socialist" in any of three senses.

1. A socialist regarding production only — namely, a man who wants production *centrally* planned and controlled, but distribution to be proportionate to production.

2. A socialist regarding distribution only — namely, a man who wants the rewards of work distributed according to needs and not according to productivity, but he is against central planning.

3. A socialist in both production and distribution; that is, he believes in central planning *and* in a man getting shares different from his contribution to production.

No one will fail to recognize as a socialist any one who is in the third group. Usually someone in the first group will also be considered to be a socialist. However, the second group throws people off balance in their judgment; many people think that people in class two, those who are against central planning, are not socialists. But they are.

To make that clear we shall tell an anecdote. fn

The Socialist Mayor Who Was Against Certain Union Activities

Some time ago one of the large cities in the United States had a socialist mayor. Further, at the time in question there were serious labor disturbances in that city. Believe it or not, that

socialist mayor was openly and angrily hostile to the labor unions causing the disturbances. Now it is strange, that a socialist mayor would be endangering his popularity — would be reconciled about *losing* votes at the next election — by taking the side of the employers and opposing the employees. It does not "add up."

In that city there was a high executive of a large bank, a man of great abilities, warm sympathies, and inquiring mind. He was mystified why the *socialist* mayor of the city would be bitterly attacking the labor side and boldly agreeing with the employers' side. He shook his head and said that it did "not make sense." Then he asked, "What explanation can there be for Mayor . . . taking that position? I would think that it could have been predicted with absolute certainty that he would have been on labor's side."

The case is indeed not understandable unless one knows the difference between a socialist and a nonsocialist on the basis of what has been written in the previous article. The mayor was not a socialist in the sense of class one, that is, in regard to production. As he was not a socialist in regard to the system of production which should prevail, he consequently could not be a socialist according to class three either.

This mayor labelled himself as a socialist and had been elected on a socialist ticket, but was a socialist only in the sense of class two, and in that sense only was a convinced, impassioned socialist. At that same time that he was an ardent socialist regarding distribution he was an equally ardent nonsocialist regarding production.

Why are there some socialists (i.e., socialists in regard to distribution) who are passionately anti-socialists in regard to production? The answer is that these men (usually by considerable study of economics) have come to the conclusion that centralized planning is a woefully inefficient way to produce, and that in contrast decentralized planning is a marvelously efficient way. (Decentralized planning is, of course, the capitalistic way to organize production; it means that instead of some isolated bureaucrat controlling production, the *individual consumers* by their free

choices control production. A capitalist system of production (a decentralized system as indicated) provides a much better response to consumer wants and a much larger one.)

What happens under decentralized planning and production? Only the good planners and producers survive. The poor planners and producers "go broke." It is like in a spelling bee where the good spellers go to the head of the line and the poor spellers drop out; so in capitalist production, consumers favor in their buying the producers who do the most for them. The business of those producers gets bigger and bigger. Often they cut their costs more and more. They pass on (in a free market) the bulk of their savings to consumers — and so capitalistic production is to be preferred to socialistic production. The socialists in class two, of which the mayor of whom we are writing is an example, are pro-capitalistic and anti-socialistic *in regard to production but production only*.

Now, what had been happening in this big city with its socialist mayor? The unions were trying to accomplish something which, in the judgment of the mayor, would lower the efficiency of production and total output. He realized that it would take away from business men those decisions which they were in a better position to make. Business men should make decisions on their individual responsibility so that the inefficient among them will be liquidated and only the efficient (those who obtain high production) will survive. This mayor wanted high production, high efficiency. He was unalterably against any bureaucratic or union-controlled production situation. He was ready to risk his popularity and his job for that principle.

Should then this mayor and like people be reclassified and be called capitalists; or should they be called hybrids, namely, capitalist-socialists? Not at all; these people are still genuine socialists. In fact, they are the most seductive kind of socialists.

While our mayor was firmly convinced that production should be capitalistic, what did he think about *distribution* of the products produced in great quantity by that efficient capitalist system of production? To this question his answer was the answer of a

genuine socialist. The *distribution*, so he believed and declared, should be socialistic, that is, the rewards should not be in proportion to the value produced, but according to some other principle, namely, "from each according to his ability to each according to his need."

The mayor however was not an uninformed person and he had no intention of sending his chief of police to your house to make you give up some of the rewards you obtained by your efficient production and your hard work. As a socialist he was, on this subject, satisfied to follow Karl Marx and Friedrich Engels. These men wrote in the *Communist Manifesto* as follows (in Chapter II, "Proletarians and Communists"):

The Communist revolution is the most radical rupture with traditional property-relations; no wonder that its development involves the most radical rupture with traditional ideas.

* * *

Of course, in the beginning, this [radical rupture] cannot be effected except by means of despotic inroads on the rights of property, and on the conditions of bourgeois production, by means of measures, therefore, which appear economically insufficient and untenable, but which, in the course of the movement, outstrip themselves, necessitate further inroads upon the old social order, and are unavoidable as a means of entirely revolutionizing the mode of production.

These measures will of course be different in different countries.

Nevertheless in the most advanced countries the following will be pretty generally applicable:

1. Abolition of property in land and application of all rents of land to public purposes. [*Farmers, indeed nobody, should own land.*]

2. A heavy progressive or graduated income tax. [*Or, as usually expressed, from each according to his ability shall be taken to give to others according to their need.*]

3. Abolition of all right of inheritance. [*That is, the elimination of the motive of working harder and longer than otherwise for the benefit of your children.*]

4. Confiscation of the property of all emigrants and rebels. [*A protest by you will pretty much be the end of you.*]

5. Centralization of credit in the hands of the State, by means of a national bank with State capital and an exclusive monopoly. [*Marx and Engels itched to get their hands on the power to determine the quantity of fiduciary media.*]

6. Centralization of the means of communication and transport in the hands of the State. [*They wanted control of telephone, telegraph, radio, television, newspapers, magazines, etc., in order to have complete thought control; and of railroads, highways, etc., so nothing could occur contrary to the will of the rulers of the State.*]

7. Extension of factories and instruments of production owned by the State, the bringing into cultivation of waste lands, and the improvement of the soil generally in accordance with a common plan. [*In simple words, State ownership of all means of production.*]

8. Equal liability of all to labor. Establishment of industrial armies, especially for agriculture. [*Anyone who has served in the Armed Forces knows what is meant, to wit, you will be under discipline and ordered around.*]

9. Combination of agriculture with manufacturing industries; gradual abolition of the distinction between town and country, by a more equable distribution of population over the country. [*Mass transference of population according to bureaucratic whim; what is proposed will have to be contrary to what people are now willing to have; or else they would already have had it voluntarily.*]

10. Free education for all children in public schools. Abolition of children's factory labor in its present form.

Combination of education with industrial production, etc., etc. [*More regimentation. There would be no private schools left.*]

Our socialist mayor, following Marx and Engels, put his confidence in regard to *distribution according to socialist principles* in number 2 in the foregoing, namely, in:

"A heavy progressive or graduated income tax."

This idea is now well known in this country; the more you produce and earn, the higher not only your tax but also your tax *rate*. The income tax in this country begins at 20% and rises to 91%. This is the device which will accomplish, from each according to his ability to each according to his need.

Our mayor was a man who believed thoroughly in this idea. He had been influenced by people who favored a steeper progression upward in the tax *rate* than presently exists.

This then was the mayor's psychology:

1. Get efficient *production* by the capitalist method, by a capitalistic *economic order*, but
2. Having got that, take the rewards away from the producers by a "heavy progressive . . . income tax" — that is, by *socialist distribution*.

In other words, use capitalism to get high production, but after people have worked hard to do that, then take away from them the extras they thought they were going to get for the extra effort — by means of the *progressive tax* — by socialism.

Have you ever visited a dog race track? Have you seen the greyhounds strain themselves to catch the mechanical jack rabbit kept in front of them? How they run! But the quarry gets away from them. The dogs run in vain.

Our socialist mayor was a man who believed that men are not smarter than greyhounds. He believed that they would work and plan intensely as if they would in the end get the jack rabbit as a reward, but that at the same time they knew it would be taken away from them through the progressive income tax! It may be asked: is that plausible? Are men such fools: to know

that the rewards will be taken away from them just at the moment of accomplishment, but nevertheless to exert themselves and work as if they were going to keep the rewards!

Where might our socialist mayor have got his combination of ideas on (1) capitalist production, and (2) socialist distribution. He did not get that combination from Marx. Marx was in favor of both (1) socialist production and (2) socialist distribution. Marx was a socialist in the sense of number 3 on page 70. Our mayor probably got his idea from Keynes, but not directly; the channel probably was Henry C. Simons or Alvin H. Hansen.

Simons in his lifetime was professor in the economics department of the University of Chicago. Simons was eminently a capitalist in his ideas in regard to *production*. He wrote a book entitled *Economic Policy For A Free Society*. Chapter VI, entitled, "Some Reflections On Syndicalism" is probably as effective an attack on coercive labor unionism as has ever been written. Simons makes clear that labor unionism is one of the most damaging, calamitous features of the American economy. He recognizes labor unionism in this country to be nothing less, if you can see beneath the surface, than Mussolini's syndicalism. (Simons, if he had known of them, would have been equally opposed to Abraham Kuyper's idealistic ideas on syndicalism.) Labor unionism in the United States today is in fact disguised syndicalism or fascism. Simons, by good logic, pretty well destroyed the case for syndicalistic unionism; such unionism is obviously against the public interest (and against the Decalogue).

Whereas Simons was, for reasons of simple logic, a determined and persuasive advocate of a capitalistic system of production *and of initial rewards*, he was an equally definite advocate of a socialistic distribution system. He favored a more highly progressive personal income tax rate than has at any time existed in this country.

Many people think Simons was a strong "capitalist." He was that *only in regard to production*. But it is really the end result that counts, and the end result in this case was practically socialistic *distribution*. And so Simons was, in reality, socialistic.

* * *

We showed on pages 59 and following of the February issue in the article entitled "Keynes As A Socialist," that Keynes was a socialist in the same sense as Simons and the mayor we have mentioned. Keynes was willing that some part of capitalist production be retained and part of capitalist distribution, but he, too, was enviously in favor of a much more socialistic confiscation of income and property by means of progressive taxation. fn

The Terrible Case Of The Father Maiming His Son Almost To Death

MacDonald, who lived on a highway not far from a big intersection, had a son named Albert, already 24 years old.

Albert wished to go to a softball game. The father did not oppose that, but there was a small job which Albert had been expected to do, but had not done. The father suggested to Albert that he do that little job *before* he went to the ball game. Albert complied. Nothing much had been said on either side. The situation was amiable.

Albert left, but unfortunately at the intersection a semi-trailer ran the red light, smashed broadside into Albert's car, knocked him senseless, broke his two legs, crushed several ribs, and brought Albert to death's door. The ambulance brought him to the hospital. However, the injuries were not fatal.

A few days later Albert's father was making one of his regular visits to the hospital. In the course of conversation Albert said to his father, "The accident would not have happened except for you; it is your fault."

"My fault?" the father asked in astonishment.

"Oh, yes," said Albert, "if you had not asked me to do that work before I left the house, I would have crossed the intersection earlier and I would not have been hit and nearly killed."

The father was so astonished that his son was accusing him of *causing* the accident that he said nothing.

* * *

In a sense, there can be no question that Albert was right. The delay that the father had caused resulted in that *combination of circumstances* that brought about the accident.

No event has, in a broad sense, a *single* "cause." There are a lot of things that happen before an accident which if they had been different would have resulted in an accident not happening.

Someone with a twisted mind or without a capacity for sound reasoning may pick any of a dozen factors necessary to have been just so, in order for an event to happen, as Albert picked the factor of his father having made a request of him. But sensible and reasonable people do not reason that way. In the case of Albert's accident, the "cause," in the eyes of the law and in the judgment of reasonable people, was that the truck driver ignored the red light. It was, shall we say, reasonable for Albert to have expected that the trucker would come to a stop for the red light. The *reasonable* expectation was disappointed, and so the accident happened. *That* was the cause.

In all reasoning, one of the difficult things to do is to pick out the *significant* cause, the one that really counts.

* * *

In every society there are several kinds of potential unemployment, namely, (1) voluntary unemployment; (2) frictional unemployment; (3) cyclical unemployment; and (4) chronic unemployment (see January 1958 PROGRESSIVE CALVINISM, pp. 11-25).

We have explained that (1) voluntary and (2) frictional unemployment are, looked at in the large, a basic requirement for freedom and welfare, and consequently must not be regarded as calamities or as damaging to society.

It is different with cyclical unemployment and chronic unemployment.

(3) Cyclical unemployment is caused by a public sin, to wit, the power given to government by its citizens to authorize the issuance and withdrawal of fiduciary media. That "power" or option is fatal in itself. It is sure to be exercised. When exercised

to expand fiduciary media there is a boom or boomlet depending on the extent. Equally inevitably, there is a depression or a recession when such fiduciary media is reduced or withdrawn. The logic is obvious and inescapable. That expansion and contraction of fiduciary media is the *cause* of the business cycle, and of resulting cyclical unemployment in the depression phase of the cycle. Any other cause ascribed as explaining the depression and its cyclical unemployment is no more the *cause* than Albert's accusation that his father had *caused* the accident is a correct explanation. All the talk of overproduction, underconsumption, oversaving, inadequate propensity to consume are all "causes" only in the sense that Albert's accident was "caused" by his father.

(4) The same holds true in regard to chronic unemployment. That is not caused by any "cause" such as overproduction or oversaving nor is it caused by fiduciary media. It is caused by *coercion*, by forcing wage rates above the economic (unforced, natural, voluntary) level, or by other price coercion.

John Maynard Keynes said that capitalist production (by which he plainly meant a *free* society) surely resulted, except in the rarest of situations, in chronic unemployment. He gave as a "cause" for chronic unemployment the public's *inadequate propensity to consume*, that is, basically, that people are unwilling to spend enough to provide full employment, the steady lack of which is chronic unemployment.

But, really, the *inadequate propensity to consume* is as "reasonable" an explanation of chronic unemployment as Albert's peevish accusation muttered between grunts of pain that his father had "caused" the accident. The real cause of chronic unemployment is *coercion* in some form or other, just as the real cause in Albert's accident was the truck running a red light. fn

Keynes's Letter To Roosevelt On Spending Our Way To Prosperity

The *New York Times*, on December 31, 1933, published Keynes's *Open Letter* to President Roosevelt. Here is part of the letter; the italics in the quotation are ours:

... "Broadly speaking, therefore, an increase of output can occur only by the operation of one or other of three factors. Individuals must be induced to spend more out of their existing incomes, or the business world must be induced, either by increased confidence in the prospects or by a lower rate of interest, to create additional current incomes in the hands of their employes, which is what happens when either the working or the fixed capital of the country is being increased; or public authority must be called in aid to create additional current incomes through the expenditure of borrowed or printed money.

... "Thus, as the prime mover in the first stage of the technique of recovery, *I lay overwhelming emphasis on the increase of national purchasing power resulting from governmental expenditure which is financed by loans and is not merely a transfer through taxation from existing incomes.*

... "The set back American recovery experienced this past autumn was the predictable consequence of the *failure of your administration to organize any material increase in new loan expenditures* during your first six months of office. The position six months hence will depend entirely on whether you have been laying the foundations for larger expenditures in the future."

Readers should note Keynes's emphasis on increasing government expenditures in a depression by funds raised by printing fiduciary media and *not by taxes*. When the government acquires funds to spend *by taxing its citizens* it does not *create* fiduciary media; it merely *transfers* purchasing power from tax payers to itself. But when it finances its greater expenditures *by loans* as Keynes here had in mind, it is by that very act putting out fiduciary media.

What was Keynes's solution? When you have nothing to buy with, when you have no real goods to offer in exchange for what you wish to buy, then just manufacture the money by means of an increase in debt. This is public fraud and theft.

Common sense recoils from that, with the assurance that the solution is spurious and the morality wrong. But logic does not

prevail. We "reason" *emotionally*. We *wish* to solve our problems by a method contrary to the Law of God; we *prefer* the route of covetousness, fraud and theft.

The current policy followed by the Eisenhower administration in the present "recession" is obviously in the direction of the Keynesian solution; the administration proposes to spend more than it takes in.

If it is moral and wise for a government to do that, why is it not moral and wise for all the rest of us to do the same?

Fifty years ago the Keynesian policy would not have received serious consideration. People would have been shocked by its immorality. Today it is considered the only solution of which people can think or which they consider acceptable. It is even considered moral!

The Keynesian road is the road to eventual sure catastrophe. *Après nous le deluge* (after us the deluge) Mme. de Pompadour said before the French Revolution! She at least was foresighted enough to expect future trouble. Americans lack the foresight to see what their future is sure to be. fn

Right Now We Are Preparing To Put Out More Fiduciary Media

On February 19 the Federal Reserve Board reduced reserve requirements of member banks one-half of one percent. That "freed" about \$500,000,000 of member bank reserves.

Because the United States has (unwisely) what is known as a fractional reserve banking system it becomes possible to put out about six times as much *additional* fiduciary media (manufactured money) as reserves are released.

Thus, the lending capacity of the banks has been increased six times \$500,000,000, or approximately three billion dollars.

This is one of the several ways that more fiduciary media — manufactured money — can be issued in the United States.

Here is how we as citizens reason and the sequence that we seek:

1. We want wages to go up and up, in order to provide union officials with the argument that they are really helping the worker.

2. Wages, by union coercion led by union officials, go higher than they should be, considering commodity prices.

3. Profits shrink; businesses retrench.

4. We get unemployment.

5. But we want no unemployment.

6. And so we put out more fiduciary media, manufactured money.

7. Then prices go up.

8. Then employment increases again.

9. The union bosses now need to get another increase in wages to persuade the workers that they need the union and its bosses. Wages are again forced up.

Then we continue all over again on the same scheme as was outlined.

And we think that this scheme, a scheme which Keynes favored, will eventually work out! We should be able to see clearly that we are like an opium smoker; we have to take more and more of the poison to keep the system going. Opium smokers shorten their lives. Societies which inflate will eventually be destroyed.

The system which has been outlined in this and recent issues is not imaginary. It is working every day, before our very eyes. fn

Keynes As An "Academic Scribbler"

The last half of the last paragraph in Keynes's book, *General Theory of Employment, Interest and Money*, reads as follows:

But apart from this contemporary mood, the ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed the world is ruled by

little else. Practical men, who believe themselves to be quite exempt from any intellectual influences, are usually the slaves of some defunct economist. Madmen in authority, who hear voices in the air, are distilling their frenzy from some academic scribbler of a few years back. I am sure that the power of vested interests is vastly exaggerated compared with the gradual encroachment of ideas. Not, indeed, immediately, but after a certain interval; for in the field of economic and political philosophy there are not many who are influenced by new theories after they are twenty-five or thirty years of age, so that the ideas which civil servants and politicians and even agitators apply to current events are not likely to be the newest. But, soon or late, it is ideas, not vested interests, which are dangerous for good or evil.

Keynes's words were prophetic. Those who follow his ideas today are "madmen . . . , who hear voices in the air, . . . [who get] their frenzy from [an] academic scribbler of a few years back" — from a man named Keynes. fn

A Bibliography Of Articles On Keynes

We suggest to readers who are interested in further information about Keynes's ideas that they read the following:

Ludwig von Mises: "Stones Into Bread, the Keynesian Miracle," the fourth essay in *Planning For Freedom* (Libertarian Press, South Holland, Illinois, 1952) reprinted from *Plain Talk*, by permission of Isaac Don Levine (13 pages).

Ludwig von Mises: "Lord Keynes and Say's Law," the fifth essay in the same book, reprinted from *The Freeman*, 1950 (7 pages).

Benjamin M. Anderson: *Economics and the Public Welfare*, (D. Van Nostrand Company, Inc., New York, 1949) chapter 60, with the title, "Digression on Keynes"; also printed in abbreviated form as a "Note" in *Financing American Prosperity*, a Symposium of economists, edited by Paul T. Homan and Fritz Machlup, The Twentieth Century Fund, 1945, pp. 63-70.

Jacques Rueff: "The Fallacies of Lord Keynes' General Theory" in *Quarterly Journal of Economics*, May 1947, pp. 343-367.

The two essays by Mises reveal the following concerning Keynes:

1. That Keynes was a man who declared that by putting out fiduciary media — bad money — society would be benefited so that "a stone would be turned into bread" — a "miracle" in Keynes's language. Mises refutes that fallacy with a treatment that it deserves.

2. That Keynes was a man who disputed Say's Law of Markets but was not able in any sense to refute it.

3. That Keynes was a man who merely dressed up the old and long and thoroughly discredited cheap money policies of Silvio Gesell and other money cranks; the dressing up consisted in the use of questionable mathematical formulae.

4. That Keynes was a man who did not really *initiate* unsound monetary policies; those unsound monetary policies were already extensively in use by practically all governments, nearly all governments already having had recourse to inflationism; Keynes merely developed a spurious dogma to justify an evil that already existed.

Benjamin M. Anderson shows in his essay on Keynes that Keynes either did not understand Say's Law of Markets or misrepresented it.

Jacques Rueff, French diplomat, economist and one-time Deputy Governor of the Bank of France, approaches the subject differently. He adjusts himself to the presentation by Keynes as far as he can. Having done that, he shows that Keynes should have gone further, and that if he had done so, the lack of consistency in the whole Keynesian scheme would have become apparent. Whereas the previous writers dispute and destroy Keynes's premises, Rueff shows that the Keynesian scheme is defective even granting its premises.

We quote the last two paragraphs of Rueff's article. This is not part of Rueff's argument, but his melancholy conclusion:

In spite of these prospects, it is probable that the next period of depression will see a general application in the world of the policy suggested by Lord Keynes. I am confident that this policy will not reduce unemployment, except to a very limited extent, but that it will have profound consequences upon the evolution of the countries in which it is applied. Through the economic disorders to which it will give rise, it will re-establish in the world a regime of general planning analogous to the regime of war time and based upon the suppression of all individual liberty. Thus the next economic crisis seems likely to be the occasion for profound political changes, welcome to some people, dreaded by others. In any event, being based on a false theory, the remedies which will be adopted will give rise to repercussions very different from those they were designed to produce. Their ineffectiveness will be, for a great part of public opinion, one more reason for urging the suppression of a regime which, by denying itself, will have destroyed itself.

Whom Jupiter wishes to destroy, he first makes mad.

What may Rueff mean in regard to his sentence, "Their ineffectiveness will be, for a great part of public opinion, one more reason for urging the suppression of a regime which, by denying itself, will have destroyed itself"? This, we think, is what he means:

1. What Keynes recommended will be ineffective, and because of its bad results, confidence will be lost.

2. Many people (public opinion) will consider their disillusionment in regard to the failure of the schemes of Keynes to be a reason for getting rid of a capitalistic economic order itself! That will be illogical, but

3. That will be a penalty on capitalism for its having "denied itself" — for not having rejected out of hand — Keynesian theories especially about inflationism (theft) and also union coercion (violence) as bad economics, or in our language as gross sins;

4. Consequently, people will, tragically in error, urge the "suppression" of capitalism — and turn towards socialism, communism or some other tyranny.

Then Rueff adds the melancholy words, "Whom Jupiter wishes to destroy, he first makes mad." It is, in truth, madness to accept any of Keynes's ideas. But we would not quote the ancient Greeks as Rueff does: we would quote Moses: *Your sins will find you out.* fn

How To Save Yourself From The Penalties Of Two Public Sins, Union Coercion And Governmental Fiduciary Media

A drowning person sometimes clutches a person who comes out to save him so that both drown.

The Christian religion requires that we endeavor to help our fellow men in all their thinking so that they do not damage themselves. Certainly in regard to the evil combination of (1) union coercion and (2) compensatory inflationism by means of fiduciary media in order to avoid chronic unemployment, a Christian should emphatically warn against them because they violate the Sixth and Eighth-Ninth Commandments. Not to warn, not to campaign against the twin evils mentioned (which in union together can merely postpone the penalty of sin), is to fail in our duty as Christians. We are our brother's keeper in the sense that we must endeavor to help him get all his thinking straight. In our figure of speech, we must go out into the water and try to rescue our fellow men from drowning in the combination of coercion-fraud-theft in which we all have plunged ourselves.

But what if our fellow men will not listen? Suppose they haughtily reject our warnings. Are we then to swim up to them, let them clamp their arm around our neck, and eventually drown with them? In other words, how protect ourselves personally (as well as possible) against the penalties, sure to come, from violating the law of God by coercion, fraud and theft?

The delayed penalty, as indicated, will eventually show up in run-away inflation, that is, in steadily rising prices of goods; or saying the same thing in reverse, in a steadily shrinking value of the dollar; relative to goods a single dollar will not buy so much as formerly; and so rising prices for goods means lesser relative

value for the dollar. But the *final* penalty will be economic, political *and* moral chaos. The moral chaos is inevitable, because we are unwilling to face truth and reality. Remember Rueff's prophecy.

Clearly, to avoid a penalty to oneself it is necessary to own goods and not dollars; more specifically, the individual's program should be:

1. Always to be fully invested. Whatever you save, put the money to work *at once*.

2. Do not invest in "calls on dollars." If you invest in insurance, in a savings account, or a building and loan association deposit, or in a mortgage, or in life insurance, or in debentures, or in nonconvertible preferred stock, you will finally get back only *dollars*. Your investment is a "call on dollars." In an inflationary economy it is a mistake to make investments which are merely such "calls on dollars." As just explained the present dollars, or the future dollars on which you have a "call," are steadily shrinking in relative value, that is, in value relative to real goods (commodities, services). Whereas your cost of living is going up constantly, your dollars are not.

3. Invest instead in *real goods themselves* — buy houses, farms, commercial real estate, nonperishable commodities, common stocks. Under inflation, the prices of these goods go up in value with the general rise in prices. In the suburban village in which we live some of the well-to-do farm families have for generations bought mortgages on real estate. But after the United States went off the gold standard in 1933 and adopted the fiscal and monetary policies recommended by John Maynard Keynes, the well-informed farmers sold their mortgages or insisted on being paid when they came due. With the former mortgage funds they bought houses or built them. They shifted from "calls on dollars" (mortgages) to houses themselves (*goods*, in an economic sense). Say they had had \$5,000 invested in a mortgage; they cashed in on it. Next, they built a house for \$5,000, which could be done in the 1930's. What is that house worth today? Probably \$15,000. The house was a protection (a *hedge*, as the expression goes) against inflation. Suppose these farmers had left their money in

mortgages. They would still have a mere "call" on \$5,000. That \$5,000 mortgage if cashed in today would buy one-half or one-third as much as in 1936. Visitors here can be shown rows of houses wisely built by shrewd farmers in the 1930's after the United States went off the gold standard. They "knew the score."

4. But, of course, everyone has a demand for *cash*, a requirement of having ready money on hand. How can a man avoid a loss on the cash he must keep on hand for convenience and safety? There is no way to avoid that; but he can offset it by going into debt and using the money so raised in order to invest in more real goods (real estate, common stocks, etc.). Thereafter, what he loses on his necessary cash balance, he recovers in the rise of the prices of the real goods that he bought with the borrowed money. Suppose a man has a cash requirement personally and for his business of \$5,000. To be adequately hedged against inflation, he should then be a debtor for \$5,000, too. The funds raised by going into debt should not, under this plan, be used for buying consumer goods or for spending, but for investing in real goods, from which there is a return to offset the interest charge on the borrowed \$5,000.

* * *

The foregoing is about all that a man can do to protect himself against the consequences of certain public sins. Will he eventually come out unscathed? It is practically impossible. In the end, he will go down, almost certainly, with the whole mass of men. We shall *eventually* all drown together. But what has been outlined will *postpone* your own personal penalty from present public sins; it will not *eliminate* the penalty.

It will be well to exert ourselves to promote a sound doctrine on the subjects discussed in this issue. If we do not, we shall surely eventually help foot the bill. The full explanation of that is beyond this article.

However, assume all your neighbors are finally ruined by inflationism, but you alone are not. What will happen? They will say that you were lucky or a scoundrel, and they will pass a law to make you help restore their own fortune at your expense. They will call you a speculator or something, and pass a law that

speculators in order to help the rest must disgorge part of the assets they have saved from the catastrophe.

Or your neighbors may even say: We want socialism, because we have been ruined by capitalism. That means that they will take all your property from you.

But were they ruined by capitalism? No, they were not ruined by capitalism, but by principles contrary to capitalism, of a Keynesian character which they hitched onto capitalism. Under leadership of men as Keynes, who were really socialists, they achieved a perversion of capitalism which should never have been tolerated by men who understood capitalism.

We recommend you go out and save your fellow men from economic "drowning" whether they want to be saved or not. But if they refuse to be saved, we recommend you try to save yourself.
fn

Reserving Money, vs. Hoarding, vs. Investing

Consider a man who *saves*. In what does his saving consist?

1. He *hoards*;
2. He *invests*;
3. He *reserves* for his money needs.

Let us consider the third item first.

The Almost Universal Demand For A Reserve Stock Of Money

Everybody who is above an animal in his thinking needs a stock of money as a reserve. He has a *demand for money*, in that sense. The quantity of money that a man estimates he needs as a money reserve is determined by his circumstances. If he has a variable and irregular income his *demand* for a *reserve* or *stock* of money is greater than the demand of a stenographer who gets paid every week. A farmer with a crop only once a year has a bigger demand for a reserve stock of money than a wage earner.

Every prudent man saves in order to have a reserve supply of money to fit his varying money requirements. To save money in order to have a reserve of money is neither *hoarding* nor *investing*.

What does a man do with money beyond the need just mentioned?

He *hoards* beyond that point, or he *invests*.

Hoarding

A man *hoards* when he saves beyond his money requirements but does not utilize the savings, but hides it in his mattress, or under the carpet, or buries it in the garden in a fruit jar.

Do you do those things? Are you a hoarder? Probably not. Hoarding belonged to the age of ignorance and fear, and the age when there were few trustworthy savings institutions. Only a few eccentrics hoard today — people who are not well adjusted. Hoarding today is a trait of people who are queer. Certainly hoarding is inconsequential in modern life. Hoarding amounts to probably not 1/1000 of one percent of what is saved.

Investing

Finally, there are the savings that become *investments*. A man saves to build or buy a house, or to finance a business. Or if he does not save for those purposes, then he saves to buy investments. If he does not wish to do that or does not know how, then he puts his savings in life insurance, in a savings bank, or a building and loan association, or in postal savings. His alternative is to hoard the funds. But he does not hoard, because in one way or another he wishes to get an income, to wit, in the form (1) of living rent-free, or (2) of a profit in a business, or (3) in dividends on stocks, or (4) in rent from a farm, store, house, or apartment, or (5) in interest on bonds or on a savings account.

What does a typical thrifty man usually do?

1. He keeps enough money in reserve for what he estimates his needs will be, but no more; that is his *demand for money*;

2. He puts the rest to work; he *invests* it; and

3. He *never hoards*, unless the ownership of property is unsafe in the society in which he lives, so that he is under inducement to hide his assets.

Keynes On Hoarding

John Maynard Keynes declared that he believed too much is *saved*. What he really meant was that he believed too much is *reserved* or *hoarded*. He reasoned as follows: because too much is reserved or hoarded, therefore not enough goods and services are being bought; as a further result he concluded that there would be chronic unemployment.

Keynes's Misrepresentation Of What Happens When People Save

Readers who do their own thinking will realize that people regularly reserving money for their money needs will not thereby cause unemployment; further, that there is very little hoarding; and finally, that all other savings are *invested*, that is, are indeed put to work, thereby creating employment.

The "mechanism" by which "savings" which are put into insurance premiums, savings accounts, building and loan associations, bonds and stocks are actually put to work, *thereby creating employment*, may not be obvious to everybody. Suppose you save \$100 by paying an insurance premium. What does the insurance company do? Leave that \$100 idle until you die and then pay it back to your beneficiaries? To the contrary, it immediately invests that \$100. It loans the \$100 with other funds to a big industrial company for expansion; or it buys a mortgage on a house to be built. Insurance companies put every dollar they get to work in some form or other except a necessary working balance of cash which constitutes their "demand for a reserve of money" so that they can pay your and other beneficiaries promptly when you and others die.

The same holds true of a savings account in a bank. A bank does not have *idle* money. Surely, it must carry large cash reserves, because that is required by the way that customers use their banks — as a money reserve reservoir. But aside from that,

the job of every bank president is to make profits. In order to make money the president of a bank and his associates must keep every dollar working that they can. A bank loans to borrowers for every kind of purpose — to finance a business, to build houses, to buy on time automobiles and other fairly durable merchandise, to finance federal, state and municipal governments. A great banker once showed me his sources of income, in chart form. He said, "When one department produces less income, I have to find other ways to make up the decline; that is my job; *every asset of this bank has to be kept working.*"

Similarly if you invest in stocks. What you have saved is used by the management of the company whose stock you have bought in order to make money for the company. Your saving is put to work where it is invested.

Do Your Own Thinking

Nobody needs to do *your* thinking for you on this vital problem. Do not let Keynes think for you, nor PROGRESSIVE CALVINISM.

What happens when you save?

Let us start at the beginning. Say you are 18 years old, just graduated from high school, and you are now "on your own." Your father and mother are no longer supporting you.

You get a job. Say your pay is \$50 a week. What do you do with it? You pay board; you buy clothes; you contribute to charities; you buy gas; you spend for incidentals. But do you spend *everything*? Not if you are prudent. You say to yourself, "I have to have some pocket money *all the time.*" And so you reserve maybe \$10 from the first week's pay, and you continue that until your *cash reserve*, in your estimation, is safe for practical purposes, and *then you stop building up cash*. Maybe you figure you need a *cash reserve* of \$40 or maybe \$100. It will depend on your judgment and your situation.

Then what? Do you keep on "saving"? If you keep on, then you do one of two things:

1. You become a hoarder; or
2. You become an investor.

If you are a hoarder you get a fruit jar, a rubber band and a cover. You put the money in the jar; you seal it tight. You wait until your father, mother, brothers and sisters are in bed or away, and then you go out when it is very dark and bury that jar in the back yard. You square out a piece of sod, remove a little dirt, put in your jar, pack down the sod, remove all traces of what you did, locate the spot exactly, look around fearfully to see if any neighbor has seen you; then put the tools away, and sneak to bed. You are now a hoarder. Your money is not put to work. As a hoarder you initially probably cause some unemployment; in this manner: money is the agency by which there is a stream of exchange; every purchase and sale creates employment opportunities; but in that stream the hoarder fails to keep his money working; and so because of that someone has less employment.

Have you hoarded? Or has any of your friends? Personally, we do not think that there is much of that.

What we think you will do is something different. We believe you will instead take the money to a postal savings bank, or to a regular bank, or to a building and loan association, or you will buy a bond, or a stock, or a piece of land, or a house. In other words, you will not *hoard*, but you will *invest*.

When you *invest*, your savings go to work at once, and consequently *your saving does not cause unemployment*.

(In fact, even when you hoard you will not cause significant unemployment, if the respective markets for commodities and labor are *free and flexible*. But the explanation of that is beyond our present space situation.)

From the foregoing, we believe that *you will know for yourself* that Keynes's argument, that saving causes unemployment, is spurious. fn

The Plight Of Capitalism

Capitalism is in a terrible plight.

The cause of that plight can be stated in a comprehensive way by saying: *present day capitalism violates the Law of God*, by perpetrating and tolerating coercion (in violation of the Sixth

Commandment) and by the issuing of fiduciary media, action which is theft and fraud (in violation of the Eighth and Ninth Commandments).

These two characteristics of modern capitalism are cancerous and unless removed will probably destroy capitalism. The process is far advanced already even in the countries which are considered exemplars of capitalism.

But as if these two fatal diseases are not enough to destroy a good society, we all add a third folly. We are like a person dying of cancer who abandons the good doctors and surgeons who say we can be saved yet by drastic surgery — by cutting out the malignancy; instead we go to a quack in some backward village who is supposed to have a cure without surgery; to a fellow who has no competence and who preys on the ignorant and the desperate.

To whom does modern capitalism turn — to a real economist? No, it turns to John Maynard Keynes, a socialist at heart, an enemy of capitalism on every count. It applies the so-called Keynesian solutions to the problems of capitalism.

Capitalism is believed by professing capitalists to be saveable by adopting Keynesian "remedies," but those remedies are purely socialist in character. We have shown that in what precedes in this and other issues.

The Democratic Party platform and the Republican Party platform both outline Keynesian solutions to economic problems.

What chance has capitalism to survive if it turns to socialist quacks? That is exactly what capitalism is doing.

What will the uninformed public say? They will say: "Everybody could see that there was something wrong with capitalism. Why did they not do something about it? Surely, the remedies they tried must have been the best available. Clearly, capitalism will not do." But the public will not know that the blunder was perpetrated of foisting socialist solutions onto capitalism. *That* is why capitalism is in the process of failing.

Capitalism is doomed if it places its hopes on the nostrums of socialist quacks — men in the Keynesian tradition. fn

Business Men Will Not Save Capitalism

It is a vain hope to expect that business men will save capitalism.

Fifteen years ago we were sitting in the office of the treasurer of a huge American corporation. Neon signs advertising the product of this company appear on practically every business street in this country.

The treasurer was informing me. He said, "The business men of this country do not understand what is going on. They lack knowledge of economics. They do not know what is the only real solution to the problems of this country. The man who outlined that solution was Silvio Gesell. We have to solve our problems as Gesell outlined."

Who was Silvio Gesell?

He was a German who emigrated to one of the South American countries; prospered down there; decided to retire rather early, and did so by buying himself a small farm in Switzerland; from that pleasant vantage point he put out the economic ideas which he had developed in his lifetime. As Keynes himself says about Gesell: what more could a man want than to be pleasantly

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retired on a farm in Switzerland, with plenty of money, and with the time and the urge to write. Gesell was retired in a Keynesian heaven.

Gesell is properly described not as an economist but as a money crank, that is, an *easy-money* crank.

Gesell's idea was that prosperity is created by putting out more money (fiduciary media)! We shout: *Help*.

Keynes was nothing more than a Cambridge-educated Silvio. (Keynes differs on minor points with Silvio, but that is of no real consequence.)

And here was this treasurer of a huge corporation — that corporation's *financial* expert — schoolmasterishly telling me that the trouble with the world was that it had not adopted Gesell's money ideas, the essence of which was that we can print our way to prosperity.

What business man whom you know is basically against the issuance of fiduciary media, against the present fractional-reserve banking structure which we have, against deficit financing by the government?

The typical business men in this country will not be the saviours of capitalism. They are half-hearted Gesellians and Keynesians.

The only possible saviours of capitalism are those who have a solution *in conformity with the Law of God* — no coercion or fraud; or in positive terms, freedom and honesty. fn

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How To Counter A Depression? Two Ways Neither Really Good

The monetary system in this country, deliberately but mistakenly adopted by the people of the United States, involving as it does a plain violation of the Law of God, is the cause of booms and of depressions.

The cause of the booms is the issuance of fiduciary media in one way or another; (there are several ways). The consequences of that folly (sin) are varied. But for such a boom, based on an

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increase in fiduciary media, there are only two destinations possible: (1) continuous increase in fiduciary media which ends in *complete economic collapse*; or (2) a discontinuance of putting out fiduciary media which means a *temporary depression*. It is either/or; one or the other.

In the United States people presently think only of attempting "solution" numbered (1), that is, they think of following that course, *because they have never yet followed it to the end of the road, namely, to complete collapse*.

The United States has heretofore followed route numbered (2), that is, a periodic backing away from putting out fiduciary media and even temporarily reducing the quantity; that has given the people of the United States actual experience with temporary depressions and their attendant effect, unemployment. Our United States experience is not broad—it does not cover *both* (1) depressions and (2) collapse from continuous inflation, but *only* depressions.

In fact, we could not, before 1934, have had *continuous* inflationism in the United States by putting out more and more fiduciary media, because United States banking law at that time prohibited putting out *unlimited* quantities of fiduciary media. The country was then on a gold standard, permitting a *variable* quantity of fiduciary media but only *within gold reserve limits*. That variability should not have been permitted, but fortunately *unlimited* inflationism was prohibited by law.

Imagine a farmhouse kitchen with two stoves, and a child of one and a half years in the kitchen. One stove has been used regularly, but the other not. The child has, let us say, several times been burned by touching the used stove. He develops a great apprehension about being burned again by touching *that* stove. He stays away from it. But assume that the second stove is used for the first time. The child has previously touched this stove without being burned, and he is not afraid of it. He toddles up to it and touches what has not hurt him before. But now he learns that the second stove can hurt him, too.

The people of the United States are children who are like the farm child. The only "stove" they have touched and by which they have been burned is the "depression" and "unemployment"

stove. They have not been burned by the "unlimited inflation" and the "social and economic collapse" stove.

Imagine another farmhouse in which the kitchen stoves have been used in reverse order. Suppose the young child in that kitchen has had the contrary experience; he has been burned repeatedly by the stove which in the first house was unused. But he has never been burned by the stove of the kind which first burned the child in the first farmhouse. The reaction of the two children towards the two stoves will be exactly opposite. The people of Germany are, as we shall indicate later, like this second farm child; they have touched this second stove twice already, and they have indeed been burned by unlimited inflation.

The people of the United States are moving toward a genuinely new experience. They are determined not to be burned again by a "depression" and by "unemployment." They are determined to try unlimited inflationism, which they *can* experiment with now, because we are no longer on a gold standard. They are touching the second stove, confident that they have a better program, and hoping of course that they will not be burned. However, we citizens of the United States are provincial and even parochial in our thinking. There are other nations in the world which have been getting burned by the "other stove."

The January 1958 issue of *Lloyds Bank Review* (London) has an article by Josselyn Hennessy, entitled "The Free Trade Area Through German Eyes." Lloyds is one of the great banks in England. The article by Hennessy discusses the new "common market" which is being organized on the European continent by France, Italy, West Germany, and the Low Countries. In that article Hennessy makes a statement which we shall be quoting. The quotation indicates that of the two penalties for putting out fiduciary media Germany has had more experience with unlimited (runaway) inflation and less with unemployment, but that England has had more experience with unemployment and less with runaway inflation. The Germans, having been "burned" by inflation do not wish to touch it; if they must be burned, they wish to be "burned" by unemployment. But the British, having been "burned" by unemployment do not wish to touch it; if they must be burned, they wish to be "burned" by inflation. We quote Hennessy as follows (page 37):

Here we touch on another difference in British and German experience which results in diametrically opposite approaches. The outlook of the British worker is conditioned by memories of unemployment between 1929 and 1933. No price, even inflation, it would therefore seem, is too heavy to ensure full employment. The outlook not merely of German workers but of all Germans is conditioned by memories of two inflations which wiped out all values. No price, even unemployment, is therefore too heavy to pay in order to preserve the currency.

Which route is the United States now following? It is the British route. If we had had the German experience ourselves, we might follow the German route. Our "experience" is not yet broad enough to teach us the consequence of the unlimited inflationism route. But we shall learn. We are toddling up to the "other" stove.

As readers know, in PROGRESSIVE CALVINISM we favor neither route. It is not necessary to choose between those two evils. Why not end this fiduciary media business entirely. Why not put the axe to the tree? Why not eliminate this sin of more and more fiduciary media — tree, root, branch and all. Why not approach the problem intelligently and scripturally and honestly? *Then, neither penalty will accrue.* The penalties of issuing fiduciary media have been pointed out as long ago as in 1914, when Ludwig von Mises put out the most basic text yet written on monetary and credit problems entitled *The Theory of Money and Credit*, (presently available, with a supplement, in English from the Yale University Press, 1953).

Complex, But Defective, Explanations Of Inflation

A recent article in a stock broker's fortnightly publication has the title, "Causes of Inflation."

The title itself should be sufficient to alert any reader. It contains the word "Causes," which is plural. There is, in the final analysis, only one cause of inflation, namely, the issuance of fiduciary media.

Readers should become aware of an important distinction which it has become necessary to make between *inflation* and *inflationism*. Inflation as the word is now usually but erroneously used is a *consequence*; inflationism, a newish word, is a *cause*. Inflation is now generally taken to mean rising prices, the result of something; inflationism is the word now used to designate putting out fiduciary media which causes the rise in prices. If one is to eliminate inflation, namely, rising prices, then one must turn to the cause of rising prices rather than to try to suppress the appearance of the consequences.

There is an objection to making this distinction between inflation and inflationism. The word inflation should really apply to the issuance of fiduciary media and not to rising prices. It is because the word has latterly come to be understood as pertaining to the result that it appears desirable to find a new word to designate the cause. Really, our position should be that inflation is not rising prices but is itself the putting out of fiduciary media; that is what inflation originally meant. The word for the *cause* has been transferred to the *result*. That is very unfortunate.

In what follows we are quoting the stock broker's review (in *italics*) followed by our comments (in brackets).

Causes Of Inflation

"What explains this persistency of inflationary pressures during the last decade, and even now [early in 1958] that we are witnessing an interrupting of the growth pattern of our economy? A thoughtful analysis of the biases toward inflation, or at least against deflation, that have developed since 1945 was presented late last year to the American Economic Association by Dr. James W. Angell."

[Readers should note that the words *inflation* and *deflation* are here used erroneously to describe certain *consequences*, either rising prices or declining prices; that explains why we have just distinguished between inflationism and inflation.]

I

"Prominent among the forces potent at the beginning of this period were the debt-management policies of the Treasury preceding the 1951 accord with the Federal Reserve; the insistence on maintaining high prices for Government issues against a background of the

war inheritance of a huge Federal debt and an enormous pent-up demand for civilian goods could only be inflationary."

[The "debt-management policies" of the government to which reference is here made had the purpose of holding up the price of United States government bonds. If those so-called "debt-management policies" had not been followed, the price of government bonds would naturally, and properly, have dropped substantially below par (\$100). In order to prevent that, the United States government kept pressure on the Federal Reserve Board to keep interest rates low so that bond prices would not decline. That idea may appear obscure to those not acquainted with the factors which determine the prices of so-called "safe" bonds. Let us assume that the bonds were issued at par with a 3% interest rate. Assume further that two years later there is such a demand for loan money that any new bond being put out will carry a higher, or 4%, interest rate. What will the old holders wish to do? They will wish to sell the old 3% bonds and buy the new 4% bonds, in order to get the 4% rate. Obviously the consequence will be that the price of the 3% bonds will drop. The uninitiated might expect it to drop from \$100 to \$75, because in order to obtain the same 4% on the old bonds as is now available on the new bonds the old bonds ought to sell as cheaply as \$75. (Three dollars on the old bond re-priced at \$75 also yields 4%. Actually the price will be considerably higher for reasons which are not pertinent in this connection.) In order to prevent a decline in bonds put out at a low interest rate during the war the government after the war induced the Federal Reserve Board for a while to follow easy credit and low interest rate policies which would hold up the prices of the war bonds. The principal means of doing this was to keep interest rates artificially low.]

[The crucial question is: how did the Federal Reserve Board keep the interest rates low? Essentially by one simple program — by not obstructing the issuance of more and more fiduciary media.]

[What Angell has done in his "explanation" is to list a secondary cause rather than the primary cause of inflation.]

II

"Then there was the impact of the voracious reconstruction demand of other countries."

[There was no reason for this to cause rising prices, if such construction had been financed only by actual savings. Insofar as reconstruction in other countries was associated with rising prices it could only be because more money was provided than was saved, that is, fiduciary media was issued. If only as much was provided as had been saved, prices would not have risen because the increase in the purchases by the borrowers would have been fully offset by a decrease in the purchases by the lenders.]

[Again Angell is only referring to a secondary cause and not the primary cause.]

III

"Throughout this era, and unlike the previous two factors apt to continue for the foreseeable future, the international policies of the Soviet Union forced this country to undertake a tremendous volume of defense and mutual aid spending."

[Spending for defense and so-called mutual aid would not be inflationary if they were financed by taxes rather than by issuance of fiduciary media. Grant that the government might have spent enormous sums on defense and so-called mutual aid. What it taxed away from its citizens would have resulted in as great a decrease in purchasing power by the citizens as the increase in spending by the government.]

[Again Angell is only referring to a secondary cause and not the primary cause.]

IV

"Great surges of technological innovations have periodically increased the demand for capital goods and hence the short-run pressures on resources."

[The "great surges of technological innovations" do not cause inflation unless they are financed by issuing more fiduciary media.]

V

"The downside inflexibility of many types of costs and the introduction of non-price forms of competition provide further elements of resistance to downward price adjustments."

[Angell here refers undoubtedly to the inflexibility of wages on the downside, because of union coercion. As we have made clear previously, the consequence of inflexibility of wages on the downside, and even worse of upward pressure beyond the actual increase of production, has been that wages have repeatedly been above the free-market level.]

[The consequence of that, inescapably, is chronic unemployment.]

[Neither inflexibility in price structures nor chronic unemployment in themselves cause rising prices in general. As we have explained previously, the dangerous safety valve being used now against uneconomic wage increases is the issuance of more fiduciary media so that prices are increased in order to offset the uneconomic wage increases.]

VI

"But most important probably is the effect of the relatively small increments to the labor force resulting from the low birth rate of the 1930s against a generally strong demand for manpower. This population gap has enabled labor unions in recent years to enforce repeated direct wage boosts and fringe benefits without too much regard for increases in productivity or for fluctuations in output."

[This reason ascribed to Angell is fallacious. Neither the size of the population nor the increment of population has an influence on the price level of the kind he describes. The number of people in Canada is much less than in the United States. If smallness of population or increment to population were factors in causing general inflation of prices, then Canadian prices would be higher than United States prices.]

[It is correct, and it is well known to economic historians that a shortage in the labor supply will make labor *relatively* high priced and other cost factors correspondingly low. And vice versa, a large labor supply accompanied by a scarcity of other cost factors will make labor *relatively* cheap. But that is something entirely different from a *general* increase in all prices caused by an alleged labor shortage.]

VII

"And the growing relative importance of service jobs within total employment has exacerbated the impact of wage costs as wage rates

in the service industries are influenced importantly by the scale of union wages while productivity in this field is often static."

[This is a variation of the preceding argument numbered VI. It merely alleges that wages will constitute a larger part of total costs. But then, if no fiduciary media are issued, the costs other than wages will decrease so that the *total* is not affected. There will be no *general* increase in prices.]

The reason why we have presented the foregoing is to show that there are all kinds of reasons given for rising prices (inflation, as a consequence). Some of these reasons are merely secondary causes controlled by the one basic cause of putting out more fiduciary media. Others of these reasons are fallacious and are, after brief reflections, realized to be erroneous.

There is only one genuine cause of inflation (generally rising prices), namely, inflationism (increase in quantity of fiduciary media).

As we have made clear previously, when the program of issuing fiduciary media is reversed and fiduciary media are withdrawn, then the consequence is a depression accompanied by unemployment.

Has there been any reduction in the quantity of fiduciary media recently? Consider what has happened to Loans of the Reporting Member Banks of the Federal Reserve System (*Survey of Current Business*, United States Department of Commerce). Figures in boldface indicate the boom years.

Loans At End Of January In Recent Years

(In Millions Of Dollars)

Year	Total Loans	Increases Compared To Preceding Year	Commercial, Industrial And Agricultural Loans Only
1953	\$38,687		\$23,011
1954	39,963	\$1,276	22,638
1955	40,483	520	21,926
1956	47,741	7,258	26,260
1957	51,776	4,035	30,260
1958	52,245	469	30,638
3-8-58			30,241

When the Federal Reserve Board decided *wisely* to halt the increase in that part of fiduciary media which consisted in loans by member banks, the "depression" came on. The big increase in loans occurred in 1955 and 1956, \$7,258,000,000 and \$4,035,000,000 respectively. That was the boom. In 1957 the increase was only \$469,000,000. (Since January of this year there has been an actual decline in commercial, industrial and agricultural loans *only*. This subclassification is the only one for which we have data as recent as March 8.)

Increases in *bank loans* of a fiduciary media character are not the only way to inflate the money supply. Another way is to increase the government debt.

Testimony In A Mohammedan Country Against Public (Government) Sin

Throughout the world both the "developed" and the "under-developed" countries are experimenting officially with violating the Law of God by putting out fiduciary media — fictitious money. (Putting out fiduciary media is a gross violation of the Law of God; see PROGRESSIVE CALVINISM, October 1957 and later issues.) To our knowledge no *Christian* denomination anywhere in the world has ever protested against a government putting out fiduciary media. Strange, is it not?

Presumably the churches should proclaim the Law of God. If they do that, they should also get down to cases and make applications of the Law of God to specific cases. Why should they not put forward a syllogism such as the following:

Theft is contrary to the Law of God.

Putting out fiduciary media is theft;

Therefore, putting out fiduciary media is contrary to the Law of God.

Or, they might become even more specific, and then the syllogism might read:

Putting out fiduciary media is contrary to the Law of God.

The XYZ Country is putting out fiduciary media;

Therefore, the XYZ Country is acting contrary to the Law of God.

No Christian church to our knowledge makes pronouncements of that sort, probably for several reasons: (1) they do not understand what fiduciary media is; (2) they erroneously misinterpret with unbelievable naivete the statement, The powers that be are ordained of God (Romans 13:1), and foolishly believe that whatever a state does should be submitted to; and (3) many "spokesmen" for the churches do not really believe the Law of God; some have substituted for it an imaginary interpretation of the "purpose" of the Law of God rather than the "substance" of the Law of God; in regard to the ethical part of the Law of God, these churchmen consider the purpose of the Law of God, namely, Thou shalt love thy neighbor as thyself, as being something different from, Thou shalt not kill, commit adultery, steal, lie and covet. But the statement, Thou shalt love thy neighbor as thyself, has no trustworthy meaning *unless it is defined in terms of the ancient Hebrew Decalogue*. If it has a meaning independent of the Hebrew Decalogue, then that meaning given to it is almost certainly destructive.

The National Bank of Egypt operates in a Mohammedan country ruled by a dictator. Egypt is one of the so-called "under-developed" countries. This bank puts out a monthly *Economic Bulletin*. Everything considered, this bank *Bulletin* is worthy of extraordinary respect.

We quote the first paragraph in the last *Bulletin* in 1957 (Volume X, No. 4, Cairo).

Mr. Leon H. Keyserling, former Chairman of the Council of Economic Advisers to the President of United States, was recently in India and delivered a speech to members of parliament in which, among other statements, he expressed the opinion that "no amount of financial juggling can take the place of insufficient physical resources" and that "neither any mere re-sharing of an existing physical product nor any mere regulation thereof can take the place of expanding production and rising productivity" (we quote from the "eastern Economist"). These were harsh words of which the first part at that time had already been admitted by responsible Indians

themselves, since the *futility of the attempt to carry out the second five-year plan by deficit financing* [our italics] had been recognized and the plan was already in the process of being cut down to the "hard core." The second statement was obviously directed straight against the semi-confiscatory taxation introduced in an attempt to remedy the shortcoming and dangers of deficit financing. . .

Mr. Keyserling who is quoted is certainly not a sound economist but a dangerous one; nevertheless what he is here interpreted to have said is better than what the churches say. And note the *Bulletin's* own additional statement:

Whether Mr. Keyserling was fully aware that the central idea of all planning for the purpose of creating a "classless society" has been the deficit financing, i.e., a ruthless printing of money in order to destroy gradually all private wealth, we do not know.

Here at any rate is the research staff of a national bank in an "underdeveloped" and Mohammedan country which knows what is taking place. It merely states what should be obvious to all, namely, putting out fiduciary media not only will not help a people, but it will ruin them.

India is on the road to ruin. As a nation its policies, under the leadership of Nehru, are evil and directly contrary at every critical point to the Law of God. Does any Christian church protest? Or, if it does not protest, does it prophesy? Does it prophesy the ruin of India as the prophets of Israel prophesied against the sins of ancient Israel? We have not heard a word of it anywhere. The churches have become apostate. They no longer *basically* believe in the Law of God. Instead of obeying specific commandments, the churches have taken to prattling meaningless, alluring and deceptive words about "love." Religious prophecy for the present world dies when the Commandments of God are ignored or suppressed.

A secular bank in a Mohammedan country today comes closer to true prophecy than the Christian churches!

The Dilemma Of All Men Who Reject The True Law Of God

Men must live in society. To live in society requires some kind of political organization. That political organization must be monarchic, aristocratic or democratic-republican. Either the king rules, the nobles rule, or the people rule directly (democracy) or indirectly (republicanism). The United States is a republic.

None of these forms of government itself is a sure protection against tyranny. A good king may not be a tyrant, but who is to guarantee that the king will be good. The nobles of a society are (assumed by definition) to be the wiser and better men, but who can guarantee that the nobles will always be good; history does not support the thesis that the government of aristocratic societies has always been good. Neither is democracy nor republicanism a guarantee against tyranny. Athens was a democracy and condemned Socrates to death. Or, as a more modern example of democratic tyranny, consider the government under the French Revolution. Justice and freedom are no more to be expected in a democracy or a republic than in a monarchy and an aristocracy, *but for one exception.*

If the people discover that they are *hurting themselves* by the wrong policies, they can, in a democracy or a republic, quickly rid themselves of injustice and tyranny. If the victim *can* act, he can free himself at will. Presumably man's effective self-interest makes democracy more responsive to correction than monarchy and aristocracy. It is unrealistic, however, to believe that the people as a mass are wiser than monarchs and nobles. The advantage of democracy and republicanism lies in something different from wisdom — namely, in the *self-interest* of the voters, which can be effective because it is not frustrated by a monarch or by a class of nobles.

John Calvin reasoned differently. He too was in favor of democracy (probably an aristocratic variation rather than *universal* suffrage). In support of his view he quoted *Proverbs* by Solomon, "In the multitude of councillors there is safety" (*Proverbs* 11:14b and again 24:6b). "Multitude of councillors," according to Calvin, would point to democracy. Obviously, the emphasis in that

case would be on the *wisdom* of the voters. It may well be doubted that "multitude of councillors" refers to democracy. And obviously, it is contrary to common observation that the mass or average of mankind is wise. But their *self-interest* will make them favor by experience if not by foresight what is good for them. Therein lies the "wisdom."

Whoever recognizes the significance and effectiveness for good of self-interest will therefore probably be a democrat or republican. In PROGRESSIVE CALVINISM we are not monarchists or aristocrats but democrat-republicans; we accept and promote the republican principle, when we must choose between monarchy, aristocracy and republicanism.

But in a more fundamental sense we are neither monarchists nor aristocrats *nor republicans*. We are instead *Law-of-God* men in all political matters.

This came home to us anew when we read recently a book review in the *Wall Street Journal* under date of March 21, 1958. Bertrand de Jouvenel, the French political writer, has written a book entitled, *Sovereignty: An Inquiry Into The Political Good*. This book was reviewed by John Chamberlain.

The problem to which De Jouvenel addresses himself is the obvious one: is not the tyranny of a people as bad and as probable as the tyranny of a tyrant or of an aristocratic class? If the answer is *yes*, then there is not much to be said for democracy after all.

Chamberlain writes in his review:

. . . to Bertrand de Jouvenel the American Revolution merely succeeded in substituting one tyrant for another. For the "divine right" of a Hanoverian king, the American Constitution substituted the absolute right of King Majority.

It does not matter that there are enumerated areas, touched upon in the Bill of Rights as well as in the main body of the Constitution, which are supposed to be "guaranteed" against the manipulation of 51% of the House

and the Senate. Nor does it matter that the amending process and the Presidential veto put special blocks in the way of absolute majority rule. The principle remains the same no matter what the mechanism for change: Rights once supposed to be "natural" and "inalienable" can be revoked if enough people want to do it.

Thus, in Bertrand de Jouvenel's estimation, the West, in pursuing liberty, has boxed itself in. Paradoxically, it now has less liberty than it had in medieval times, when kings walked warily lest they provoke the church or lest they stir up their more powerful baronial retainers.

Chamberlain goes on in his review to disagree in part with De Jouvenel.

What is De Jouvenel's idea of how to be effectively defensive against tyranny of the people by the people? He turns to the well-known idea of "natural light." As Chamberlain puts it, De Jouvenel wishes men to put themselves under the obligation of trying to live by the divination of a "natural light."

Chamberlain asks who is to interpret that "natural light." He adds that in essence the founders of America appealed to just that when they spoke of certain "truths" as "self-evident." Undoubtedly, Chamberlain is right: the founders of the United States did not consider a majority vote — pure democracy or republicanism — to be the ultimate device for protecting justice and liberty. Behind the majority vote they considered there would be some higher principles — some "self-evident truths."

What are those "self-evident truths"? Our answer is: the *Law of God*. Any government which is genuinely based on the Law of God is a good government, whether the *form* of that government be monarchic, aristocratic or democratic. Any government disobeying the Law of God is evil, whether the *form* of that government be monarchic, aristocratic or democratic.

In PROGRESSIVE CALVINISM we have, it should be expressly noted, a great advantage over the "natural light," or "natural law" or "natural rights" thinkers. "Natural light," "natural law" and "natural rights" are vague terms. They are seldom expressly

put into words. Indeed, as an exercise set yourself the task of simply and plainly formulating the "natural rights" which you think you have, and which you will declare you believe are based on "natural law" or on "natural light." You may formulate them differently from the Second Table of the Law, but analysis will reveal that they are in fact based on the Second Table of the Law.

In PROGRESSIVE CALVINISM our significant advantage is that we are explicit. We are not vague at all. When others talk about natural rights, natural law and natural light we talk instead only about the Law of God. That is specific, unequivocal, universal, revealed. It is simple:

1. You have all freedom; except
2. You may not injure your neighbor by violence, theft of wife (husband) or of goods, or by fraud;
3. You may not resist evil by employing the same evil, even though your neighbor has injured you first;
4. You must exercise a Biblical amount of charity; and
5. You must try to help your neighbor by showing him, not only how to keep his thinking straight on current practical matters, but also on the ultimate framework of all life, especially his relation to the Creator of the world, or as the churches put it, *the gospel*; that must be proclaimed to all men. If they reject your good services in this regard, that will be their own responsibility; not yours. But do your duty to proclaim it!

That is, for us, all the content that can realistically be given to "natural light," "natural law," or "natural rights."

If you can be more simple, explicit or complete in formulating *the ultimate principles on which a good society must be organized*, we shall be glad to publish your shorter, better, clearer and more complete formulation.

To all men who are in a dilemma in regard to political organization — whether it should be monarchic, aristocratic or democratic-republican — we say: *why not get your ultimate bearings from the Law of God?*

To such men, however, if they are secular thinkers, we wish to voice a warning: do not accept what is taught in many churches as being a strictly Biblical interpretation of the Law of God. What is taught in many churches in the field of ethics and practical conduct is indubitably contrary to the Law of God, *correctly interpreted*. Words advocating sanctimony — pious hypocrisy — have often been substituted for the plain Law of God.

Selfishness, A Term Violating Occam's Famous Rule

There are in an average-sized Bible 800 pages devoted to the Old Testament and 250 pages to the New Testament, a total of 1,050 pages. The total number of words is probably in the neighborhood of 420,000.

Neither the noun *selfishness* nor the adjective *selfish* appears even once in all these 1,000 pages and 420,000 words.

Cruden's well known *Concordance* of words which appear in Scripture does not show either *selfish* or *selfishness*. The words are not in the Bible!

Nevertheless in this age *selfishness* is considered a great sin, a pervasive sin, the characteristic sin of all men. Is it not strange that Scripture does not once mention this "sin"?

Someone may counter by saying that *selfishness* is a more modern name for a very old sin or sins. We might ask: Which old sin or sins? And then we ask further: Why not retain the old name or names?

There is something about this word *selfishness* and what it means which can throw an unusual amount of light on a certain "kind of approach." This is readily explained.

William of Occam, the famous Nominalist, had an expression, *Entia non sunt multiplicanda praeter necessitatem*, which means, "Ideas (and words) should not be multiplied beyond necessity." Apply that rule to the word *selfishness* and the idea of selfishness.

It then becomes apparent that *Entia*, that is, ideas and words, have been unnecessarily multiplied. If there were already ideas and words in olden days for *selfishness*, then it was a mistake to add

a new word; indeed, we agree with Occam, why multiply words! Why not retain the old ideas and words? It is far simpler; additional words for the same idea can only cause confusion.

If someone alleges that it is not a question of multiplying words, but that an important new *idea* is involved and that that new idea required a new word, and that selfishness is the term chosen to describe that new idea, then the question should be asked, exactly what is the new idea? Is it something added to Scripture? Did more than a thousand pages of closely printed matter fail to disclose the idea? If selfishness is sin, and if what the Ten Commandments forbid is sin, then which of the Ten Commandments does selfishness violate? Or does it violate several or all of them? Further, if it does violate all of them, why speak of them collectively? Why not individually?

Have you ever heard of a man tried in a church court on an indictment of selfishness? If selfishness is a definable term, or not merely a duplicate term, why have men never been tried on that charge? Or is there any civil court which tries cases of selfishness? We know of none. The use of the word *selfishness* by churchmen constitutes a damaging form of semantics.

With the foregoing as a background it is possible to make clear in a simple way a fundamental characteristic of PROGRESSIVE CALVINISM. In regard to the Ten Commandments we are Occamites. We do not say we are Occamites in the sense that we accept all of the ideas of William of Occam. But Occam's "approach" to problems, his mental habits, his idea on how to solve problems, are the same as we are disposed, 600 years after his day, to apply to the Ten Commandments. With Occam we say, in regard to the field of action (that is, the field of conduct, the field covered by the Ten Commandments), do not multiply *entia*, do not multiply words and/or ideas; stay with the specific Ten Commandments; do not "multiply" words or ideas "beyond necessity." Therefore, never add anything to the Ten Commandments; therefore, indeed, do not add selfishness to the Ten Commandments. If selfishness is forbidden by the Ten Commandments then stay with the specific prohibitions in the Commandments. If selfishness is something added to the Ten Commandments, then the addition is valid only on the assumption that the Ten Commandments are defective.

Scripture declares that the Ten Commandments were written in tablets of stone by the finger of God.

Moses declared to the Israelites that their uniqueness consisted in the fact that they had the most superb and unequaled Law. Christ declared he had not come to destroy the Law but to fulfill it; He also declared that heaven and earth would pass away before one "jot or tittle" of the Law would pass away. Are these Ten Commandments nevertheless defective? We dispute that; we consider the Ten Commandments to be the perfect Law. We object to anything being added or subtracted from it. For us it is complete and final. In regard to the Law, we recite after Occam, *Entia non sunt multiplicanda praeter necessitatem*. Therefore, do not add *selfishness* to the Law of God.

That is our "approach," our methodology in ethical matters. But, of course, that is merely a method, a temperament, a slant on how to solve such problems. A "method" does not substantiate or refute the propriety of the use of the word or idea of *selfishness*. The idea of *selfishness* needs examination and analysis. We propose to do that in the remainder of this issue and in succeeding issues.

Readers who have read the first three volumes of PROGRESSIVE CALVINISM will at once realize that we are reverting to our original theme, to wit, brotherly love or neighborly love (terms which we use interchangeably). See especially Volume I, the issues of February, March, April and May, 1955. However, we shall not repeat what was presented there, but make a quite different analysis; in this instance we shall make an approach based on "reason" rather than the earlier approach based on "authority." It will become apparent that "reason" and "authority" agree.

As we shall be proceeding on the basis of "reason," we shall begin with elementary ideas which consequently are very fundamental. If we seem to begin far afield, it will eventually be obvious that we have not wandered unduly.

One problem to which we address ourselves is, *Is selfishness sin?* Another problem is, *Is it even possible to avoid selfishness?* Another problem is, *Is selfishness a first principle of morality*, as Baruch Spinoza declared?

Our answers are:

1. Selfishness* is not sin;
2. It is not possible to avoid selfishness;
3. Selfishness is the first principle of morality, not merely according to non-Christian philosophers, but also according to reason *and* Scripture.

The Boy Who Would Play Only Basketball

Jimmy Crane, 16, was not very well liked by his schoolmates. Nevertheless, Jimmy was an excellent *basketball* player; he could throw baskets with extraordinary skill.

But if Jimmy's friends wished to play *baseball*, Jimmy "withdrew," as the psychologists would say. He then usually said that he had something else that he had to do, and he would argue in favor of playing *basketball* in season and out of season; in short, if there was to be a game, then as far as Jimmy was concerned it was going to be basketball or nothing. If the decision was against basketball he would become sullen and go home.

The fact was that although Jimmy was a good player at basketball he was not a good player at anything else. In basketball he could and did shine as a star. In other games he was either an inconspicuous player or a below average player.

Jimmy's eagerness to play basketball and his unwillingness to play anything else manifested a grave psychological and character defect. He was an egoist at heart, proud, greedy of honor, of praise and of attention. He craved acclaim. If he was not sure he could get that in a particular activity, he refused to participate in it. He was active only in what he could do well; regarding everything else he had a "psychology of adjustment" which consisted in "withdrawal" from that activity.

The psychology of Jimmy is something that Scripture condemns and warns against in the strongest terms. *Pride* is the supreme character fault, according to Scripture.

*The term *selfishness* will be more extensively defined later.

The basic criticism by Karl Marx and the socialists who followed him is that the advocates of capitalism have the same psychology as Jimmy had; however, where Jimmy's "adjustment" to the activities of life was foolish and contrary to his real interests, the "adjustment" of capitalists according to Marx is brutal, dishonest and unfair.

Few people understand the extent of the indictment of capitalism by Marx; for him the most fundamental premise underlying capitalism, namely, liberty, is unqualifiedly evil; for him, liberty is an evil because liberty is good for the strong as basketball was good for Jimmy; but contrarily, liberty is bad for the weak as baseball was bad for Jimmy.

The Socialist Attack On Liberty

Let us divide mankind into the two classes that Karl Marx divided men, namely, into the classes of the strong and of the weak; or on a slightly different basis, the classes of the wise and of the foolish. These two classes play out their game in the economic sphere, in the sphere of the relationship of men to things and of men to each other.

The question is: what should be the rules of the game? Or of the fight? Or of whatever metaphorical word you wish to select?

That question was answered in the Two Tablets of Stone on which the Ten Commandments were written, which Moses brought down from Mt. Sinai 3,300 years ago. Moses answered the question by saying that everybody should have an equal opportunity, that is, should have liberty, *except* there was to be no freedom to coerce, lie or take what belonged to another. Supplementarily, the Ten Commandments required forbearance, charity and attempts to persuade others to do what is supremely wise and good. Liberty plus prohibition of specified evils constituted the rules of the game, according to the Decalogue for which Moses made the stupendous claim that the Ten Commandments were written with the finger of God. Either these Commandments are consequently unchallengeable or else they are a shameful fraud.

For Marx, the Ten Commandments were the latter, a disgraceful fraud and a wicked evil.

Once understood, Marx's indictment is genuinely a serious one and apparently is not easily answered by most people.

This is Marx's case against Moses (and, incidentally, against *laissez-faire* capitalism). He in effect asks, why do business men and property owners want liberty? Why do they demand rewards according to performance? Why do they say only, To each according to his ability and according to his production, rather than "from each according to his ability to each according to his need"?

Capitalism is genuinely based on the principle, To each according to his ability. Socialism is based on the contrary principle, From each according to his ability to each according to his need.

What is, according to Marx, morally wrong with the principle, To each according to his ability?

Here is Marx's answer: The strong want liberty *because they know they themselves can win*. They sense their strength. They sense the weakness of the others. They want liberty so that in the economic "contest" they can win. They know that if the game is to be played out on the basis of strength and ability they will come out on top. They know that the weak and less competent will come out at the bottom. They want liberty only for one reason — it gives them an unfair advantage for winning over against the weaker. In other words, the demand for liberty is not a good thing but a selfish and evil thing, an attempt to get "rules for the game" for their own advantage over others.

Liberty, then, according to Marx, is for the strong and the able what basketball was to Jimmy Crane. Jimmy wanted the game itself to be of a character so that he could win and shine as a star. Similarly, for the strong in life, they want liberty as the rule for their game so that they can surely win. They do not want liberty because liberty is good in itself; they want liberty because liberty gives to them who are strong the opportunity to exploit the weak who are helpless over against them.

Liberty, according to this view, is the selfish and unfair demand of the strong which has the unbrotherly intention of taking advantage of and grinding down the weak.

On the basis of the foregoing indictment of liberty by Marx, liberty is an abominable thing.

Further, it follows from Marx's argument that Moses was a transmitter of an immoral law; moreover, *laissez-faire* capitalism (*laissez-faire* capitalism meaning nothing more than *free* capitalism, based on the Second Table of the Ten Commandments) is also immoral.

Let us summarize the situation regarding Moses and Marx as lawgivers: (1) they are the world's two most fundamental lawgivers; (2) what they taught is not reconcilable; (3) one must be a great and a good lawgiver, and the other a base and an evil lawgiver.

Who is the great and good lawgiver, and who is the base and evil lawgiver?

Who is the true defender of the weak and the less wise?

Moses, or Marx?

Who is the criminal, undercover and deceitful assister of the powerful and the crafty?

Moses, or Marx?

Incidentally, have you ever heard this *issue* between Moses and Marx candidly discussed in the pulpits of the churches? Have you ever heard Marx's grim argument presented with its full force? With fairness to that argument? We ourselves have *never* experienced that.

To have stated Marx's case boldly and fairly to him would have raised so much doubt in the minds of parishioners that the job of being a preacher would be jeopardized. The preachers say that they follow Moses. But if Marx contradicts Moses, then Marx must be answered. But here is the rub — how refute Marx's argument against Moses? If Marx cannot be answered, then (so it seems) the best thing to do is to be silent about Marx's case. The situation is especially serious in the case of many of the social gossellers. They agree with Marx in matters of ethics. They say that the freedom that Moses proclaimed, and which the capitalists claim today, is a disguised form of selfishness, a hidden

exploitation of the weak by the strong. Indeed they indicate that the trick consists in demanding *liberty*, which is a claim that is only good for the strong. But it is calamitous for the weak. That is why the strong demand liberty.

It will be remembered that Marx added that, because the Hebrew-Christian religion in his day supported the demands for liberty, therefore it was an "opiate of the people." It was especially an opiate because it told the weak to submit to the strong. In Marx's estimation the Christian religion was accursed because it teaches principles which give free play to selfishness; the Ten Commandments are evil because they do not protect the weak from the strong, when the strong pursue their own interests. And so the preachers who in reality follow Marx rather than Moses no longer teach freedom and the Ten Commandments.

It seems almost unbelievable that the unbridgeable chasm between the Hebrew-Christian religion and Marxian socialism is not generally realized. It seems inexcusable that, assuming that the irreconcilable difference is realized, it is not openly debated in the churches so that the respective merits of Moses versus Marx may be clearly established.

In material to follow in PROGRESSIVE CALVINISM we aim to make our position unqualifiedly clear. We are followers of Moses; not of Marx. We aim to answer Marx. In doing so, we shall merely present arguments long ago developed by great economists as Carl Menger, Eugen von Böhm-Bawerk and Ludwig von Mises.

The answers of these men have always agreed with the *true* spirit of Calvinism, although Calvinists themselves have been wholly unable to answer Marx.

Confusing Finiteness With The Effects Of Sin

Sin is clearly defined in Scripture. The consequences of sin are equally clearly outlined. Those consequences are unpleasant, make people unhappy, and justify the description of the world as it exists, as it is affected by men, as being thoroughly evil.

Scripture, however, describes the original world as uncorrupted by man's sins, as very good. This cannot sensibly mean that the

natural laws of the original world were good and then became bad by man's sins. The *natural* laws of the world today are unchanged from the original.

Scripture repeatedly, emphatically and joyously describes the *natural* world as being "good." Everywhere in Scripture the *proof* of God's goodness is taken to be evidenced by the spectacular excellence of the natural world. "The earth is the Lord's and the fullness thereof" (Psalm 24:1).

What is wrong with the world is what man has done to his fellow men, and in a minor degree to the natural world. The wretchedness of life is the consequence of man's sin and folly. (Basically sin and folly are identical.)

(1) The fact of the goodness of the natural world and (2) the fact of the inescapable evil consequences of sin together do not explain *all* of man's circumstances and all of his "troubles."

Fact number (3) which must be taken into account is man's *finiteness*. A man becomes hungry. Is it an evidence of sin? Not at all. His being hungry is the effect of his being a physical finite human being. If he does not have the wherewithal to satisfy his hunger, that, it seems to us, is not *necessarily* because of some sin on his part. He may have been imprudent, unwilling to work, neglectful of scarce articles needed to satisfy hunger; he may be an outcast of society because of his conduct—all these sins may have contributed to his being unable to satisfy his hunger. But *satisfying hunger* is something quite different from *hunger* itself. That human beings become hungry is part of the original creation of the world.

Scripture does not teach the absurdity that *human wants* are the result of sin. It teaches the wholly different doctrine that human *wants* are established by the nature of creation. If that were not true, Adam and Eve would not have eaten the forbidden fruit. The narrative of what happened in the Garden of Eden assumes our first ancestors were at least *hungry* before they fell from their original state of rectitude.

The existence of *wants*, therefore, is quite independent of the sinfulness or sinlessness of men.

That is important for a correct view of economics. Economics deals with the *wants* of men and how men endeavor to satisfy those wants. That does not mean that economics deals with man's sins only. The view, which it seems to us that all men should accept unless they wish deliberately to be naive, is that many human wants are amoral—that is, neither moral nor immoral. The morality or the immorality results from how the want is endeavored to be satisfied; not the want itself.

Consider the most sensitive field of conduct—the relation of the sexes. A man has a *want* for a mate, a female; a woman has a *want* for a mate, a male. Is there any evil or virtue in that want itself? None, in our opinion. The want is genuinely amoral. If we would have any doubt about that, it would not be that the want is immoral, but that it is highly moral. Solomon wrote: "Whoso findeth a wife findeth a good thing, and obtaineth favor from Jehovah" (Proverbs 18:22). If finding a wife results in obtaining "favor from Jehovah," there cannot really be anything intrinsically wrong in *wanting* something—wishing to have what one does not have—namely, in this case, a mate.

The evil in the sex field must come not from the want, but from *how* the want is endeavored to be satisfied. It is here where the Law of God places a stricture. In a sense the stricture is very restrictive, and in a sense it is very tolerant. Scripture teaches that a man can have a mate (1) if he obtains her without violence, of her own free consent; and (2) if he accepts her permanently, that is, until death parts them (with an exception according to some interpretations, for adultery *only*; according to others, *never*). The want itself is not sinful; the want is mere *finiteness*. The satisfaction of the want is not sinful *unless it violates what Scripture prohibits*.

There is the statement of Christ in the New Testament, "Ye have heard that it was said, Thou shalt not commit adultery, but I say unto you, that every one that looketh on a woman to lust after her hath committed adultery with her already in his heart" (Matthew 5:27-28). That statement *can* be interpreted to mean not merely that the satisfaction of the want by desiring to have a woman *out of wedlock* is sinful, but further that wanting her *in wedlock* is sinful, or even more absurdly, that the wanting of a

mate at all is sinful. Christ can mean, we believe, only the first case mentioned — a desire to possess a woman outside of wedlock *without responsibility* for her and her children by a union with her. *That* we are sure is the implied and undeniable *assumption* underlying the condemnation of "lusting after her."

It is not possible for our finite minds to imagine a world in which we are not finite. The fact that we are finite means that we have unsatisfied wishes, that is we have wants. Should it be expressed this way: Thank God for all our wants, because it is so pleasant to have them satisfied, and if we did not have wants there would be no occasion for growth physically, mentally and spiritually.

If there were no *wants*, none of us would have any incentive to do anything. Our wants spur us to action. It is wonderful to have wants, to be finite.

We ask: how can wants be satisfied without considering ourselves, that is, how can wants be satisfied unless men are motivated by selfishness! If a man wants a wife, does he want her for anybody but himself? Is that sinful selfishness?

A Woman Who Is Satisfied Is As Good As Dead

A woman who is satisfied is dead, or might just as well be dead.

Women, as all married men know, are *never* satisfied, They always want more.

Not for nothing do women live on the average six years longer than men. Men wear themselves out satisfying their insatiable wives. Then they die relatively early, and the well-cared for widow lives on for several years.

Should men, then, consider the insatiability of their wives to be an affliction. Basically, no. Imagine a wife absolutely satisfied — she does not want new clothes, a new house, a new automobile, another trip — nothing. Assume that she has absolutely *everything* that she wants. What would she be like?

A human being? A cow? A toad? A bird? A fish? A tree? A weed?

She would be less than any of these. She would be, if completely satisfied, a warm stone — no motion, no speech, no action — completely inert. A woman completely satisfied is not worth having. Imagine sitting at a table with her; if satisfied, she would not eat or drink; Why not? Because she was already perfectly satisfied. Or imagine trying to take her to a musical program where the music will be marvelous, the hall beautiful, the crowd stimulating. But your "wife" will be there only by your carrying her there. She was already "satisfied"; she would not have moved on her own initiative; the music, the hall, the crowd — all failed to affect her. What is she? A satisfied woman!

Imagine everything a woman now does in order to obtain satisfaction. And then imagine the monstrous thing she would be if she *wanted nothing*. A stone carried in from the field would be a less repulsive thing to have around than a fully-satisfied woman.

It may be a cross to bear to be married to a dissatisfied woman, but life would not be worth living with a perfectly satisfied woman. Let all men be thankful for the insatiability of women.

Undoubtedly women would find men equally uninteresting if the men were perfectly satisfied — wanted nothing. The women might prefer a stone from the field in the house to a *satisfied* man.

Obviously, the matter is simple; we all have wants. *This* life, on *this* earth, in *this* kind of world, is a life which is rich because we are stimulated by our wants. It is the fulfilling of those wants — spiritual, intellectual, material — which make life worth living.

Go thy way, eat thy bread with joy and drink thy wine with a merry heart; for God hath already accepted thy works: Let thy garments be always white; and let not thy head lack oil. Live joyfully with the wife whom thou lovest all the days of the life of vanity, which he hath given thee under the sun, all the days of thy vanity:

for that is thy portion in life, and thy labor wherein thou laborest under the sun. (Ecclesiastes 9:7-9.)

If the quotation means anything, it means that *wants* are not sinful.

Economics concerns itself with the relative suitability of the various means to satisfy wants. It does not judge the wants. It judges merely whether the means are suitable to the end at all, and what the relative cost is to attain the ends.

Clearly, economics and ethics overlap. *Ethics, too, is concerned with means to satisfy wants.* Is it possible that what is good economics is bad ethics, or vice versa? The answer is *No*. Economics, and far-sighted judgment, and the principles of morality are all identical.

The questions every person should address to himself, are these:

1. Is it selfishness to have wants?
2. Is it selfishness to wish to satisfy wants?
3. Is it selfishness to satisfy wants economically, with farsighted judgment, according to principles of morality?
4. Is it selfishness to satisfy *our own* wants?
5. Are we obligated to satisfy the wants of all others equally with our own wants?
6. Are we obligated to satisfy the wants of all others ahead of our wants?

In future issues we shall consider these questions in greater detail.

Personally, a man should wish to have a thoroughly unsatisfied wife. A man should not want something as inert as a stone in his house. He should wish all other men equally good fortune.

(Note: If the cost of a new hat bought by your wife troubles you occasionally, imagine how unproud you would be of your mate if she were so satisfied (*dead*) that she did not care in the least about her appearance. You would be so ashamed of her, that you would never take her out.)

Elementary Selfishness Is Necessary As An Incentive

Sexual jealousy is a manifestation of selfishness. All men are jealous in this field; all women are jealous. A man wishes to possess his wife for himself; a woman wishes to possess her husband for herself.

A mental double standard generally prevails; a man may not wish to restrict himself to his wife, but he demands that she restrict herself to him. Women view matters the same way.

This double standard acted upon or merely mental will not "work." It will not give maximum happiness. It is internally "inconsistent."

Either the relation of the sexes must be restricted according to the Biblical rule, or it will (if it is to be consistent) be wholly unrestricted, that is, promiscuous.

The latter will not be successful. No significant society has ever been constructed on the basis of promiscuity. It may assuredly be declared that none ever will be.

Men will not support a prostitute as liberally as a wife. They may be willing to pay a prostitute a fee or give her a gift, but the fee or gift frees them (in their estimation) of any further obligation. Support a prostitute in a good house, with good furniture, with good food — through the whole of life, when she has become old and less attractive — men just do not think that way!

Being a genuine prostitute is about as difficult and unsatisfactory a way of obtaining comfort and wealth as exists for a woman. We have never read of a prostitute who died wealthy. Some people become wealthy at the expense of a number of prostitutes, but the individual prostitute who continues to be that indefinitely and never "settles down" and marries, lives in the poorer neighborhoods, seldom owns a house or houses, or farms, or bonds or stocks.

Women in the United States are reported to own more stocks and bonds than men do. Those women are daughters, wives and widows. Prostitutes almost certainly do not have their "share" of such holdings.

A man, in short, will not happily support a woman whom he does not believe to be his *sole* possession. In regard to a mate a man is genuinely *selfish*. He does not want a mate for some other man to share. Women understand men thoroughly in this regard. The smarter they are, the better they conform.

But there is another manifestation of selfishness on the part of both men and women which throws further light on the error of considering *selfishness* to be a sin or evil.

Men will not support the children of other men. Men are also in this regard *selfish*. They will support only children which they believe to be their own. Of course, as Motley wrote in his *The Rise of the Dutch Republic*, not even an emperor (Charles V) can assuredly know whether a child whom he believes to be a descendant is really a descendant. The woman's knowledge on that subject *can* be far more conclusive than the man's as the mother of Don Juan stridently declared. A man will not work hard to pass wealth to children whom he suspects or knows are another's. The whole process of accumulating capital requires the institution of monogamy (or at least of marriage). Men will not scrimp and save and slave except for themselves, their individually possessed wives, and their *own* children. Selfish, of course,

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but human nature. In fact, nobody except consistent socialists dare attack this obvious and flagrant but meritorious selfishness.

Women are no better. Women are much more protective of their children than of their men. No woman is happy that the children of a husband's mistress inherit equally with her own. Obviously, this is selfishness, too, but is inescapable human nature.

In other words, morality in all its aspects is inextricably tied up with *selfishness*. Selfishness is a power for good in society and for the maintenance of order and of prosperity.

Any doctrine of *love*, taught in the churches, to obliterate the selfishness to which we have referred (selfishness in regard to wives, children and possessions) will always be ridiculously ineffective and unrealistic.

★ ★ ★

Property Precedes Charity. "But if nothing is mine, then is there not only no justice, but no possibility of benevolence." P. E. DOVE, *The Theory of Human Progression*. (Quoted from *The Freeman*, April 1957, page 59.)

★ ★ ★

"Organized labor still has special privileges and legal immunities that even kings and governments lost years ago." (ROSCOE POUND, the famous lawyer; quoted in *American Opinion*, February 1958, page 32.)

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The Possible Course Of The 1958 Recession

In the latest nine months (August 1957 - April 1958) business in the United States has been receding; we have a *recession* which is a relatively new word for a mild depression. There is some unemployment. What *caused* this recession (and other recessions and depressions)?

The answer is: United States business was *overexpanding* prior to August 1957. Its people wished to do more business than

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could be done with available resources. The means for genuinely expanding business, namely, savings, were not equal to the demand by business for funds. *Loan* money was in less supply than there was demand for it. Consequently, some expanders of business and would-be borrowers could not be taken care of, and somebody had to be eliminated from among the would-be borrowers. The sound way to do this was to let interest rates increase naturally so that only the most urgent borrowers would still wish to borrow, because they would be willing to pay the higher rate rather than forgo the loan.

The rise in interest rates was a signal to informed people that expansion was increasing faster than available resources. That meant that business had been *booming*, and had been more than normal. A boom does not mean *normally* good business, but *abnormally* good business. Further, it means that the abnormal part *cannot* continue long. When the cause is abnormal, the effect (a boom) cannot be stable nor permanent.

What made business *abnormally* good in 1956 and early 1957? The expansion of the quantity of money (fiduciary media). Fiduciary media* is arbitrarily manufactured money. The banking laws of the United States (1) permit the issuance of fiduciary media, and (2) purposely promote the variation in the quantity of fiduciary media. The consequences are as inevitable as the results in mathematics. When an additional quantity of fiduciary media is put out, there is an immediate, artificial, deceiving, not-long-to-continue increase in apparent demand; everybody overestimates demand and resources; computations and calculations are corrupted; bigger things are proposed than can be financed or accomplished; there is not a sufficient *real* increase in resources but only an *apparent* increase; *real* assets are not there but only more paper money (fiduciary media).

But the banking laws of the country do not contemplate steady and *unlimited* expansion of fraudulent money. Sooner or later the expansion of such money must be halted, and the monetary laws of the country provide for that; it was halted (of neces-

*For description of *Fiduciary Media*, see November 1957 issue of PROGRESSIVE CALVINISM.

sity, for the welfare of the country) in the summer of 1957. Then the boom hallucinations were realized to be what they were and businesses (of necessity) began to retrench.

Let us take a simple illustration to show what has happened.

Jones earns \$5,000 a year. He borrows in 1957 another \$3,000 from the bank. That \$3,000 was not savings of someone else who was not spending his income, but the \$3,000 was fiduciary media, money manufactured immorally but according to banking laws established with the approval of the citizenry. In 1957 Jones then spends \$8,000. He makes business boom.

But now Jones has exhausted his credit. The bank will loan him no more. In 1958 Jones can spend only \$5,000, assuming he needs to pay nothing on the loan. *Demand* has shrunk from \$8,000 in 1957 to \$5,000 in 1958. Jones and the bankers operating under the banking laws made by the people have first *abnormally* boomed business; then (of necessity) they have had to desist. Compared to the boom, the recession looks bad; business in our illustration in 1958 is only five-eighths of what it was in 1957.

But business gets even worse if Jones must pay \$1,000 in 1958 on his loan and if the bank retires this \$1,000 of fiduciary media. Then he can spend only \$4,000 in 1958. That compares with the \$8,000 he spent in 1957; just one-half. Naturally there is a recession.

The increase in the quantity of fiduciary media therefore *inevitably* leads to a recession or depression when the increase is simply discontinued (the drop from \$8,000 to \$5,000); and to acute distress if the quantity of fiduciary media is *decreased* by retirement of loans (so that Jones in 1958 can buy only \$4,000 compared to his 1957 purchases of \$8,000).

In 1956 and 1957 fiduciary media in the United States was increased by more than \$11,000,000,000. In the latest nine months there has been no increase.*

Issuing fiduciary media is legalized theft. If theft is legalized, nobody is put into jail for theft. But the penalty for the theft will

*As a *rough* measure of changes in the quantity of Fiduciary Media we are using here Total Loans and Discounts of Member Banks.

show up in *some other form*; in this case, in the form of a recession or depression, and in unemployment.

If the plain law of God had steadily been obeyed (thou shalt not steal), then there would have been neither a boom nor a depression. Business would have been *steadily good* without a boom or a depression.

* * *

What is the cure once you are suffering from a recession?

People fortunately will not act unless they believe that there is some benefit to be derived from it. There is no use in being silly and saying people should act when they do not gain something by their action. In that sense, normal people are *wisely selfish*. The Christian religion is made to look ridiculous, if it is declared that that religion requires people to act when it will not benefit them. Of course, it is necessary to consider what the Christian religion says will "benefit" a person; it does not take a short view either for this life or the life-to-come; it takes a *long* view.

Our neighbors will not employ you or me at a loss to themselves. They will look you and me in the eye and say, Why should we?

We may answer that we need work and wish to sew overalls in their factory. They will say, We cannot sell more overalls. If you yourself wish to make overalls and sell them — and if it is *possible* — then you go ahead on your own.

To climb out of a recession or a depression, there must be a reason for people to take some action. There must be an advantage, or as it is customarily expressed, there must be a profit.

How in the past in a recession or depression was a profit situation restored? How will it be restored now?

Before the depression in 1930-4, profit was restored by cutting unit costs. Costs are nearly entirely, in the last analysis, *labor* costs (more than 80%). In the old days labor unit costs were reduced by higher efficiency or by cutting labor rates. The lower labor rates then matched the lower prices. Business again became

profitable. Prosperity revived. Unemployment disappeared. The depression lasted only as long as prices of goods and labor unit costs were not properly in alignment.

Then came the great depression of 1930-4. A new *theory* became popular, namely, that labor unit costs (the bulk of all costs) should not be reduced, because to do so would make the depression even worse, by further lowering purchasing power. That theory is destructive. It greatly aggravated and lengthened the 1930-4 depression. There was inadequate profit in business, in acting, and so there was a long-continued general paralysis.

In fact, because of the failure to realize that prices for products and labor unit costs had to be brought into proper relation, business was only half-good from 1935 to 1939. *Seven million people remained unemployed in those years.* It took World War II to bail the country out of the slough in which it was floundering.

Now in 1958 we have another recession. What is now the theory for accomplishing a recovery? Once it was to reduce unit costs; then it was to hold unit costs steady; now — catastrophically — the theory is to increase unit costs. The writer works for many companies; *all of them have, under labor union pressure, increased labor rates* (in cents per hour or in fringe benefits) or will be obligated to do so in order to avoid disastrous strike losses.

It may therefore be confidently declared that there is now only one escape valve left for escaping from the present recession. Nothing can be expected from reduction in labor unit costs (primarily wage and salary costs), because they are *increasing*. To restore "prosperity" the only other recourse is to increase prices. That is the only course that the labor unions (which are coercive organizations) will permit, and that is the only solution that the present-day public has been miseducated to accept. **IN OTHER WORDS, MORE INFLATION IS THE ONLY "OUT" FOR THE 1958 RECESSION.**

To increase prices eventually requires more fiduciary media. That will be forthcoming, if for no other reason than that an increase in government debt is one way to obtain an increase in fiduciary media. Nearly everybody is presently becoming reconciled to a further increase in government debt. Furthermore, reserve requirements of the member banks of the Federal Reserve Banking

System have recently been reduced, and Reserve Bank rediscount rates have been lowered drastically. All these set the stage for more fiduciary media. Do not worry that there will not be enough fiduciary media to carry the higher prices required to pull us out of a recession.

Sarcasm is seldom understood or accepted, but if you are a "Christian," do not trouble to testify against a public evil, and do not trouble to warn against the eventual consequences of more and more inflationism (the putting out of more and more fiduciary media). It does not appear necessary for the Christian church to be prophetic anymore, even on the basis of logic as convincing as mathematics. Where is the church that boldly testifies against the *cause* of business depressions, a cause rooted in a violation of the Law of God, or where is the church that requires such testimony of its members?

When will we climb out of the present recession? Who knows? It depends on when prices will be increased sufficiently to offset the higher unit costs. When action is taken to increase prices, the recession will be quickly over. The opium smoker has had another smoke.

The price advances will, however, have to be considerable. Even in the boom in the first half of 1957 there was constant anxiety at that time already that "margins of profit" were shrinking, despite the then abnormally large business volume, which volume helped to reduce unit costs. Since then unit costs have risen still higher, and the volume is much less.

It will take a *substantial* advance in prices to end (not solve) the recession of 1958.

* * *

The more astute that business men are, the quicker they will act to increase prices. Not because that is "right," but because under the unsound policies set by the citizens, the course of price increases is the only course to follow, unless one wishes to be a martyr. Few people wish to be that; in fact, we know nobody who wishes to be a martyr fighting inflationism.

John Calvin As A "Rationalist" Or John Calvin Versus John Maynard Keynes

Moses obviously authorized rent on land. It has *seemed* to many people, however, that he prohibited interest on money.

Now *rent on land*, or *return on capital*, or *interest on money*, are essentially the same thing. All are *unearned*.

If *unearned* interest is evil, then *unearned* rent is evil, and *unearned* return on the capital in a business is evil.

Moses, then, if he was logical (which he was, we are sure) must have been in favor of rent, return on capital *and* interest; or he must have been opposed to all three.

Some 3,500 years after Moses, Calvin undertook to analyze the problem of Moses's *apparent* prohibition of interest on money in an economic order.

Calvin could have argued simply. He could have said: (1) rent and interest are really the same thing, in principle; Moses authorized rent; therefore, for Moses to have been consistent, he must have been in favor of interest on money as well as rent on land. By such reasoning, Calvin would have "proved" Scripture by means of Scripture. He would merely have indicated *consistency* as an essential criterion of Scripture, namely, that interest and rent be considered as essentially similar.

But, instead, Calvin merely *assumes* that rent on land is all right; not because Scripture says so; he pragmatically accepts the practically universal phenomenon of land *rent*. Then, from experience and logic he concludes that interest on money must also be right. Anyone arguing from experience and logic is something of a "pragmatist" or "rationalist."

Unfortunately, Calvin did not realize that another Jew, Marx, would set himself up as a greater and better lawgiver than Moses and would teach a different morality than Moses did. No one up to Marx has ever so radically challenged Moses. Marx said that ALL unearned income was evil — rents, profits, interest. To cure all those three evils, there should be no private property of any kind. Of course, on that basis Calvin's pragmatism and rationalism in regard to the relation between rent and interest is worthless.

Unless some Calvinist comes along who outlines for himself or copies from another that there is an inescapable basis for land rent — that there will be *the equivalent of unearned income even in a socialist society* — then Calvinism is pretty well bankrupt in answering the argument of Karl Marx, of Lenin, of Stalin and of Khrushchev. In fact, it looks like those thinkers have Calvinism pretty well backed to the wall. Unless the answer is found, Calvinism will not even have a plagiarized answer in defense of Moses, on which it can really rely, because it is a *logical* answer and can “stand on its own feet.”

If some Calvinist has published an answer to Marx's argument — and so has, in a sense, rehabilitated John Calvin on this problem — we shall appreciate learning about it.

John Calvin sided with Moses. With whom did John Maynard Keynes side?

Keynes sided with Marx. Keynes was against *unearned income*; he was against rent, profits and interest. He looked forward to the “euthanasia of the rentier” — the painless death of those who received rent, profits and interest — within 40 or 80 years. Oh yes, he thought that man had not evolved fully yet, and that many men were presently still excessively addicted to the “money-making passion.” But he expected men to outgrow that under progressive government ownership and continued inflationism.

The Case Against Liberty

In this issue we continue to analyze an interesting combination of ideas, namely, the relationship between liberty and selfishness, especially the idea that liberty should not be permitted because it gives an opportunity for the exercise of selfishness.

The question in dispute is this: if liberty is good only for the strong, who by the liberty granted them can exploit the weak who are relatively helpless, should not liberty be repudiated as a bad ideal?

Of course, if liberty can give only partisan benefits, because it is good only for the strong and not for the weak, then the demand for liberty is a manifestation of gross selfishness on the part

of the strong. The strong appreciate that they can gain by liberty; the weak, however, have nothing to gain by liberty but everything to lose, because they can be exploited by the strong.

In other words, *liberty* is not a reasonable and just situation in a world in which men have unequal talents and abilities. Liberty in such a world is merely refined injustice.

To give the strong liberty is like unchaining two dogs, one big and one small, and letting the big dog destroy the small dog. Was it *justice* to the small dog to unchain and thereby liberate both of them, or was it an injustice to him? Similarly, is it not injustice and cruelty in the world of men to unleash the strong and the weak together?

The proposition underlying the foregoing is the ethical premise underlying Marxian socialism. Marx basically attacked liberty as being an unleashing of selfishness, with the weak sure to be victimized by the strong. Marx, in fact, was attacking two ideas:

1. He was saying that God (whose existence Marx questioned) created the world unfairly and unjustly, in that all men are not exactly alike and of equal strength in every respect; and

2. He was saying that the *Law*, which Moses proclaimed as coming from God, was an inadequate law in that it did not deny liberty to the strong. That Law, considering the inequality established by creation, should have denied the right to live for self, and should have required living for the neighbor, that is, the rule should be, From each according to his ability to each according to his need; or, in this setting which we are now considering, the rule should read, The strong should live for the weak, according to the need of the latter.

That *liberty* granted in the Mosaic Law, which Marxian socialism attacks as being evil:

1. Can be eliminated by group coercion, through a government, by a union, or by any obvious or disguised violence; or
2. Can be neutralized by individual self-denial, namely, to love the neighbor *more than the self*.

It is interesting to note that the Christian religion today rather generally teaches that the second way mentioned is *obligatory* on all Christians. If it is and then if it is followed, there is no need to have recourse to way number one. However, the same popular Christian religion favors extensive government coercion to supplement what is supposed to be ethically demanded in the second way. But the church does not generally go so far in regard to way number one as the socialists do.

A good example, how far a church will go is the Christian Reformed church in the United States. It has on its approved list of causes, worthy of assistance, the Christian Labor Association. The General Secretary of that Association openly:

1. Favors a union (or closed) shop; and
2. Opposes right to work laws.

This is an understandable attack on liberty, if you do not really believe in liberty, but have been influenced (maybe unwittingly) by Marxian ideas. We are sure, however, that the Christian Reformed denomination will not go so far, for example, as to support the violence perpetrated in the recent Kohler strike by union men, in Sheboygan, Wisconsin.

The difference between the Marxian doctrine of love and the Christian doctrine of love as usually taught is that Marx realized he was mortally attacking liberty; the confessors of the Christian religion are not so lucid about it as was Marx.

The idea that selfishness correctly understood is an evil needs to be disputed. That is what we are doing in this issue. Our proposition is that liberty cannot exist unless there is an opportunity to exercise selfishness and that selfishness is a good thing.

For PROGRESSIVE CALVINISM, in contrast to Marxian socialism and in contrast to the prevailing ideas in the Christian churches, *liberty is more priceless than any other earthly condition*. For us, the Sixth Commandment, Thou shalt not kill (coerce), has no comprehensive meaning if it does not teach liberty. Nor can any society be good, unless it is based on liberty.

The Sense In Which Selfishness Must Be Good

In college in a psychology class, for which I had neglected preparatory study, the professor called out my name and asked, "Are habits a good thing?"

Not having read the required reading on the subject, there was nothing to do but improvise an answer.

Here it is: I sedately declared, "Good habits are a good thing, and bad habits are a bad thing."

There was a titter in the class, which told me that the answer was wrong.

The professor, annoyed, repeated the question, "Are habits a good thing?"

I pondered. The answer must be *Yes* or *No*. A guess would at least have a 50% chance of being correct. An admission not to know could only result in zero.

Boldly, I answered, "Habits are a good thing."

The professor carefully made a mark behind my name which must have been that the answer was perfect — 100%.

Later I read the text matter and learned that habits are *generally* a good thing because once acquired they relieve the mind of a lot of work; for example, buttoning your clothes. It is a great chore when you are very young. It requires intense mental application. But eventually buttoning clothes becomes a *habit*, and requires no real mental attention. The mind is freed, by the acquisition of habits, for more important activities. Therefore, habits are generally good. Or more correctly, habits *in that sense* are generally good.

Similarly, selfishness in a similar sense is *generally* a good thing. Not only is proper selfishness good, and improper selfishness bad, but *selfishness in general* is good. People have awareness that they have wants, that they lack something which they need for their well-being. Their self-interest requires that they act, that they do something. They are acting for themselves and in that sense are selfish. Selfishness generally motivates people to act. In *that sense*, selfishness must be a good thing.

Upgrading The Meaning Of Selfishness

Among the general public *selfishness*, as a term, has an unfavorable meaning. It will be semi-futile for us to make the term selfishness sound good. Our cautious defense in the past of *selfishness* has brought us letters of protest from some of our best friends. We are distressed about agitating them further about selfishness. We see, however, no escape from the issue.

We shall therefore endeavor to upgrade the meaning of selfishness. This upgrading we shall endeavor to accomplish in steps — each step being an “improvement” over *selfishness* as commonly understood.

1. Lowest step: selfishness, as genuine sin; namely, as *disobeying* the Law of God by coercion, fraud and theft. When selfishness means that then nothing should be attempted to defend it.

2. First step up: selfishness, as neglect of others and so hurting their feelings; that is, as *bad manners* and bad public relations. No *sin* in this situation has been perpetrated against others, but no reason has been given to them to seek our company in the future. We have not acquired their active goodwill. We have not really hurt them, but we have been foolish enough to hurt ourselves.

3. Second step up: the *pursuit of our self-regarding interests*. This is a term we derive from John Stuart Mill. It does not refer to selfishness as sin, nor to selfishness as bad manners, but merely to the pursuit (by definition, without harm to others) of legitimate personal interests. Admittedly, your motive is self-directed to your own self.

- (a) This pursuit of self-regarding interests can be hedonistic — for the gratification of your own desire for pleasure and happiness. This can be an engrossing and low-level appetite for pleasure, which meaning the word hedonism has acquired. However, happiness (in whatever may be the acceptable form) must be a prime end of all action; why act to seek unhappiness? The argument cannot properly be

against seeking happiness as an end, but only against *certain kinds* of happiness. Hedonism generally has a bad name.

(b) The pursuit, enjoyment and production of happiness in a more-worthy manner is commonly described as eudaemonism. But happiness is still the end in view. Eudaemonism is merely an upgrading of hedonism.

4. Third step up: the pursuit of interests for others as well as for yourself *according to your own choices*, rather than according to choices imposed on you by others. This does not limit action solely to *self-regarding* interests. In this case the choices may be designed for the happiness of others at the cost of the self. But the important thing to note is that *the choices are by the person himself*. In that sense, because he made *his own choices*, he may still be considered selfish. Certainly, if the argument is about *who* makes the choices rather than *what* the choice is (for self or others), then this "Third Step Up" in the meaning of selfishness is still unalloyed selfishness. It is unreasonable to describe a choice as selfish merely because you yourself made it; in this situation the definition of selfishness means that you are selfish except when you let other people make your choices for you — for example, a government, or your neighbor, or some ecclesiastic, or some ecclesiastical organization such as a church. If you are a reader who says that everybody is invariably selfish unless he surrenders all his decisions to someone else, then you should desist reading further; you and PROGRESSIVE CALVINISM are so far apart that we cannot *communicate* together. In your eyes, we are selfish. In our eyes, you are arrogant; when the laws of a society or the supposed claims of a religion require a man to abandon his own judgment and subordinate his own choices to others he has been reduced to the level of a slave. It is at this point that *selfishness* and *liberty* meet. If selfishness inevitably follows from the existence of liberty of choice regardless of what the choice is, then (if selfishness is to be eliminated) the only way to eliminate it is to destroy all liberty.

We assume that readers will not wish to define selfishness in a manner to destroy all liberty of choice. What then will each of us mean by selfishness:

1. Sins, against the Commandments?
2. Bad manners, which recoil on ourselves?
3. Pursuit of our own self-regarding interests, without sin or bad manners?
4. Pursuit of both *self-regarding and altruistic** interests, for the benefit of others as well as ourselves, *according to our own choices?*
5. Pursuit of both *self-regarding and altruistic interests, according to the choices* (not of ourselves but) *of others?*
6. Pursuit of *only altruistic interests, according to the choices of others only?*

Number 6 we consider perfect slavery. Number 5 is very little better, and that is also slavery in our estimation. At the other end we reject sin and bad manners. That leaves 3 and 4. We eliminate 3 as being contrary to the realities of life; nobody pursues his self-regarding interests *only*. That leaves number 4, namely, the pursuit of both self-regarding and altruistic interests *according to our own choices*. It should be admitted that in this sense the choices are *our own*, and in that sense are "selfish."

It was exactly that making of your own choices which Marx considered dangerous and invalid. The strong, so he held, wanted to make their own choices (that is, have liberty) because that permitted them to exploit the weak. But, so Marx argued, they certainly would not have wanted freedom of choice for everybody if they had belonged to the class of the weak.

Be that as it may, we believe in the pursuit of self-regarding and altruistic interests *according to our own choices*. In that sense we advocate selfishness. Why? Because we believe in liberty. The detailed argument on this will be presented in later issues.

**Altruism* is defined as "regard for others, as a principle of action."

The Demand For Another God; Churchmen Say That Freedom Plus The Law Of God Is Inadequate To Protect The Weak

Karl Marx, as a prophet for socialism, put forward two basic propositions:

1. All unearned incomes — rent, interest and profits — are theft, are exploitation, are immoral.

2. Freedom is evil because there are differences between men in strength (of body, of mind, of character, of opportunity, of inheritance), and therefore liberty always enables the stronger to exploit the weaker.

In the sister church in the Netherlands (*Gereformeerde Kerken*) of the Christian Reformed church the second of these doctrines of Marx is more or less openly held. We translate from a book published in 1950 by a minister in the *Gereformeerde Kerken* (*De Geest van Communisme en Kapitalisme en het Evangelie van Christus* by Dr. J. Verkuyl, pages 97-8):

Everyone [according to capitalist theory] was supposed to insure his own happiness by free labor. "Laissez faire, laissez aller, laissez passer" became the slogan. A person was to be free to become rich, and free to lose in the economic game.

Several writers developed this idea of economic freedom in a cynical-frivolous sense. I think of men as Hobbes, Locke, Mandeville and others. Locke, for example, said, "That government is best which governs least." He argued that everyone should have "equal opportunity." But he apparently did not understand that in effect that meant "the survival of the fittest," the survival of the strongest and the perishing of the weakest.

Verkuyl, whose ideas are reported to be widely accepted in Calvinist circles in the Netherlands, subscribes here to the Marxian idea that *liberty is generally evil*, because it involves the "perishing of the weakest." Clearly, Verkuyl disagrees with Locke, and he sympathizes with the Marxian argument. At heart Verkuyl (and

other ministers who agree with him, in the *Gereformeerde Kerken*, the largest orthodox Calvinist church in the Netherlands), has accepted that basic Marxian principle, that freedom is not *basically* good for the reason that God did not create all men equal in all respects.

In the first fifty years after Marx Dutch Calvinism seems to have had no answer to Marx's attack on liberty. In the latest twenty-five years Dutch Calvinism has openly appeared to accept Marx's attack on liberty; witness Verkuyl's book and various writings in this country by leaders in the Christian Reformed church (see *God-Centered Living*, published by the Calvinistic Action Committee; see PROGRESSIVE CALVINISM, 1956, pages 298ff.). The trend has been from silence (because of inability to answer Marx) to agreement, and to pro-Marxian testimony.

It may appear to some that these modern Calvinists have gone only halfway to the basic Marxian position, that is, that they are only *interventionists* and not *socialists* (for distinction between interventionists and socialists see PROGRESSIVE CALVINISM, June 1955, pages 152 ff., especially 167-173). But the *basic principles* of interventionism and socialism are identical; they represent difference in degrees, not principles; we hope to demonstrate this some day in an extensive review of Verkuyl's book.

Why is *laissez-faire* liberty wrong? Is it because it demands *all* liberty, including the liberty to coerce, to engage in adultery, to steal, to defraud? Oh no, *laissez-faire* capitalism has always declared that the liberty to do such wrong was to be prohibited. But beyond those prohibitions *laissez-faire* capitalism said that liberty should prevail. Beyond the restraints of the Law of God, as just quoted, a man could *pursue his own interests with liberty*. Verkuyl disagrees with that.

We summarize the argument against freedom: it will result in men pursuing their own interests, that is, their so-called *selfish* interests; that is true even when men do not violate the Law of God by coercion, adultery, theft, fraud; freedom is evil because the strong and the wise even while obeying God's law will by their freedom inevitably exploit the weak and the foolish. FREEDOM IS EVIL, THEREFORE, BECAUSE GOD MADE MEN UNEQUAL; FURTHER, THE LAW OF GOD, IF OBEYED,

IS NOT SUFFICIENT TO PROTECT THE WEAK. WHO IS THAT PROTECTOR? ANOTHER GOD. WHO IS HE? OBVIOUSLY, THE STATE. AND WHO IS THE STATE? CERTAIN MORTAL MEN. WE MIGHT MENTION A FEW: LENIN, STALIN, TITO, HITLER, MAO, NEHRU, PERON.

When the "authority" to coerce *beyond what the Law of God specifies* is granted, then the individuals who approve of that excessive "authority" are individuals who are prepared to violate the First Commandment, *Thou shalt have no other gods before me.*

The Three Attributes Determining Selfishness

When men hear the word *selfishness* used frequently and admonishingly they should think of medieval scholasticism. There was in that age often a "playing with words." The demand today for unselfishness is a similar "playing with a word."

There are three attributes which should be included in the definition of the term *unselfishness*. They are:

1. *Who* is the beneficiary of the action?
2. *At whose cost* is the action performed?
3. *Who* decides on the action?

Who Is The Beneficiary Of An Unselfish Act?

There is always presumed to be a beneficiary of an unselfish act, namely, someone other than the actor.

It is, of course, possible that an act finally benefits neither the actor, nor his intended beneficiary, but a third person or a group of persons; in this situation, the act is usually not considered to be unselfish because it was not *intended* that way.

At Whose Cost Is The Action Performed?

In judging whether an act is selfish or unselfish, it is fairly common to ignore whether the actor is intending something for someone else (1) at the actor's own cost, (2) at the cost of the

supposed beneficiary, or (3) at the cost of a third person or persons. This is an inexcusable indifference.

If an act intended for the benefit of another is at the actor's own cost, it obviously qualifies as being unselfish in its cost aspects.

If an act intended for the benefit of the beneficiary is at the beneficiary's cost, then the act is coercion. The wishes of an actor are imposed on another at the latter's cost, whether he likes it or not. Almost certainly he does not like it, or he would have done it at his own initiative.

If an act intended for the benefit of another is at the cost of neither the actor nor the beneficiary but at the cost of a third person or a group of persons, then the act is not unselfish but a theft; Peter has been robbed to pay Paul. The world is full of "unselfish" people who wish to help some one or several *at the expense of a third party*. Such "unselfish" people should not be praised as unselfish, but should be condemned as thieves.

There is a difference (of many) between naive ethics and the science of economics. The one to which we refer consists in ethics often *ignoring who pays for an act* and looking only at the intended result and the proposed beneficiary. But economics, until widely corrupted by Marxian attitudes, was rather careful in regularly considering *cost*. Economics systematically asks: *Who is paying for this?*

Who Decides On The Action?

Finally, the third standard by which to judge whether an act is selfish or unselfish is: *Who decides on the action?* This is the commonly overlooked factor in the situation. The decision can be made by one of three — the beneficiary, the one who foots the bill for the unselfishness, or a third person or persons.

If the beneficiary decides and demands that something is to be done for him, then the fact that another responds does not make the act unselfish. The man who pays is merely being robbed. The beneficiary is selfish; but the man who pays is neither selfish nor unselfish; he is a victim of coercion, the sin forbidden in the Sixth Commandment.

If the man who foots the bill for the act makes the decision himself to do something for another, then the act must certainly be described as being intended unselfishly.

If a third party or parties make the decision but do not pay the cost, they are not entitled to any credit. This is another case where the right word is not *unselfishness*, but *theft* and *coercion*.

For an act to be purely *unselfish*:

1. It must be intended for the benefit of another than the person deciding that the act is to be performed;
2. It must be at the expense of the person himself who is making the decision to act; and
3. The person making the decision to act must be *free* to make or not make the decision to act.

Any description of an act as being truly *unselfish* qualifies only if the foregoing three conditions are met.

But it does not follow that somebody, acting on his own judgment, *for his own purposes*, at his own cost, is thereby selfish and sinful—simply because the purpose of his act was not intended for another. He is selfish and sinful when he acts for himself only if he acts *at another's cost*.

The Correct Way To Look At The Motivation Consisting Of Selfishness

There is an elementary difference between a person and a stone.

You as a person have wants, dissatisfactions, uneasinesses; consequently, to be alive is the same thing as saying that you are not so happy as you think you could be, and so you are stimulated to take action; effective or ineffective, but nevertheless *action*. To be alive means that you lack something; you are *never fully satisfied*. That state is synonymous with being *alive*.

But a stone is dead; it is not unhappy; it is not unsatisfied; it has no uneasinesses; it has no cause for taking action.

Let us make a distinction between the living and the dead. To be alive means always to be lacking something; always believing

we want something; always being stimulated to action; always to have purposes. To be dead means to lack nothing; to feel no wants; not to be stimulated; to have no purposes.

To have wants, uneasinesses, purposes and to take action do not *in themselves* appear sinful. They are merely conclusive evidence of being alive and human. To satisfy wants, to remove uneasiness, to have purpose and to take action is not a wicked hedonism (the motivation of seeking pleasure without much discrimination), nor a dubious eudaemonism (the motivation of seeking pleasure with refinement and careful discrimination). Many people are foolishly terrified at the moral standing of seeking satisfactions, that is, of being alive.

There is an excellent way to re-state the problem in a manner to leave the emphasis on pleasure out, namely, in the phraseology of Ludwig von Mises. Mises writes (*Theory and History*, Yale University Press, 1957, pp. 137-8):

Every individual, and for that matter every group of individuals, aims in acting at the substitution of a state of affairs that suits him better for a state of affairs that he considers less satisfactory.

Is that *selfishness*? Then everything is selfishness. Is such selfishness sin? If so, Adam *never* lived in a state of rectitude, because he must always have been alive and have had wants, uneasinesses (hunger, for example), purposes, and he must have taken action.

Of course, the idea to "substitute a less satisfactory state of affairs for a more unsatisfactory state" is a perfectly blameless purpose. All rationality depends on that idea being a satisfactory basis for action.

Later in his book Mises comments on so-called "Christian" historians and economists. His comments appear valid to us. He writes (our italics) (*Theory and History*, page 169):

The Christian historians and economists who reject capitalism as an unfair system consider it blasphemous to describe *egoism as a means Providence has chosen in order to attain its ends*. Thus the theological views of

Smith and Bastiat no longer have any meaning for our age. But it is not impossible that the Christian churches and sects will one day discover that religious freedom can be realized only in a market economy and will stop supporting anticapitalistic tendencies. Then they will either cease to disapprove of self-interest or return to the solution suggested by these eminent thinkers.

So-called "Christian" thinkers in their zeal for "neighborly love" or "brotherly love" have become so sanctimonious that they have robbed action of realistic motivations. Non-Christian psychologists have developed a phobia that religion has made people morbid; there is something to what they say!

The more sanctimonious Christianity has become, the less Biblical it has become.

Praxeology Is Broader Than Economics

The field of choice and freedom can be restricted to *economic* choices, or as it is usually expressed, *materialistic* choices. But this is an unwarranted limitation.

A man makes choices for spiritual and mental, aesthetic and moral purposes and for other purposes which far transcend things and money.

Praxeology* covers the *whole* field of human choices and human action.

If a man has no wants, he will have no purposes. A versification of the 146th psalm, in the *Psalter-Hymnal* used in the Christian Reformed Church, makes clear that death and purposelessness are related:

Hallelujah, praise Jehovah, oh my soul Jehovah
praise.

I will sing the glorious praises of my God through
all my days,

Put no confidence in princes, nor for help on man
depend.

He shall die to dust returning, and his purposes
shall end.

*For definition of *praxeology* see PROGRESSIVE CALVINISM, December 1955, pages 341-347.

A man is not a live, normal human being any more if he does not have purposes.

We shall continue our study of human life, of human purposes, of human choices, and of selfishness and unselfishness as a characteristic of choices. When we do, we shall be considering *all* human action, not merely so-called human action for materialistic purposes.

For Finite Man There Are No Absolutes; Everything Is Relative

Absolutes and infinites cannot be understood by the human mind. The *idea* of an absolute and of infinity is understandable, but the reality of the absolute and the infinite is not.

Man makes no absolute choices in this life. One reason is that the world is finite, and that consequently there is an actual (or always potential) *welfareshortage*. None of us can have everything that he wants.

Because men live in a finite world, when they choose to satisfy one want, another must be sacrificed. You may wish to take a vacation on the Riviera in France and also at Miami, but when you choose one, the other must be surrendered. You may be looking for a wife, but if you seriously court Susan, it is not possible (or at least not feasible in a monogamous society) to court Sally. It is one or the other.

Economics, praxeology, freedom, choices — all in this life are finite and relative; every purpose has a cost in terms of other purposes which must be sacrificed. Say that you decide to spend \$10 to be admitted to a symphony program. You cannot use *that* \$10 for a new hat. The *cost* of hearing the symphony concert can be described as having been a new hat. You had to forgo the hat in order to hear the music; or vice versa, you had to forgo the music in order to get the hat.

It is especially necessary, in this connection, to get away from medieval abstractions, the idea that we have a demand for gold, food, clothes, education, amusement in general, and that we make our choices for these *groups* or *classes* of things.

Consider gold. No one has a demand for gold *in general*, but only for a given quantity of gold. Nobody wants all the gold in the world, and is satisfied if he gets it. If a man wants gold in the sense of gold and nothing else, he will die of hunger, cold, etc. At most a man wants *some* gold. That can, however, never be his *sole* choice. He wants a certain quantity of gold, a certain quantity of food, a certain quantity of clothes, of shelter, of warmth, of music, or of what have you. When he changes his ideas on one of these, that has a bearing on the rest.

In practice men are not medieval realists* wanting a general thing, but they are practical nominalists* who want a specific thing, for example, *one* woman and not womankind in general; one house, not houses in general; a dinner, not food in general. In praxeology it is not possible to think straight and be a medieval realist. Choices are *necessarily* specific in practical life.

Life consists of many small things, not one big thing. When something is added or changed, something else must go out or be changed. When something is eliminated, something else can come in.

The cost of something may be measured in terms of effort or money; in an even more real sense it can be measured in terms of what else must be forgone in order to get what is wanted more — for example, the hat in place of the symphony, or new furniture in place of better food.

The Character Of Our Choices

Acting for self (popularly called selfishness) is intrinsically not sin, but a necessity and a virtue.

Whereas modern Christianity rather generally implies or says that selfishness is sin, *we consider as sin only the adoption of improper means in acting for self in order to fulfill our wants and remove uneasinesses we have.*

In the third issue of *PROGRESSIVE CALVINISM* (March, 1955), we quoted (pages 58 and 59) from Albert Jay Nock's *Memoirs of a Superfluous Man*. Nock tells of a friend named Edward Ep-

*For meaning of *realists* and *nominalists*, see *PROGRESSIVE CALVINISM*, October 1956, pp. 297ff.

stein with whom he was having lunch one day. Nock said that Epstein declared: *I tell you, if self-preservation is the first law of human conduct, exploitation is the second.*

The first part of Epstein's remark points to the view that should be held by all rational men, namely, "self-preservation" or self-motivation is inescapable. If some sin is to be perpetrated, it results not from the inclination toward self-preservation or self-motivation, but from the improper means adopted to satisfy the self-motivation. It is only the improper means that can be what Epstein called *exploitation*. Those improper means are simple and easy to know; they are explicitly forbidden in the Second Table of the ancient Law of Moses, which we know as the Decalogue. Beyond that there is no ethical sin.

Instead of generalities, let us "get down to cases."

A married man with three children who moves to Chicago has an income of \$7,300, or exactly \$20 a day for 365 days a year. How will he act, and will his action be sinful?

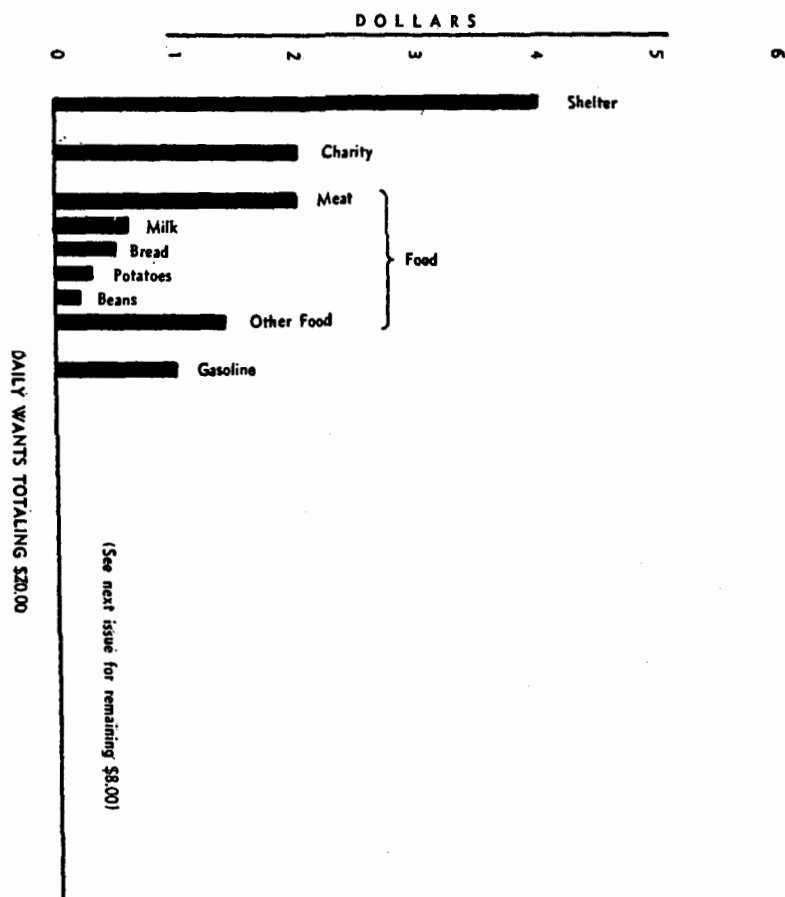
It should be recognized that both the man and his \$7,300 are finite. Neither the man nor the money can accomplish everything wanted.

Suppose we draw a chart on which we show how this man will be motivated. On the horizontal scale we shall show the man's *wants*. On the vertical scale we shall show how much of his daily \$20 he will be willing to allocate to each want.

A large part of his \$7,300 will be required for income taxes and so-called social security, but we are ignoring that. We are considering the \$7,300 as being left after taxes. See the Chart.

We propose to draw columns to show only representative wants as the chart would otherwise be too large for our space. The height of each column will show how many dollars and cents will be allocated to each want. The total height of all the columns cannot represent more than \$20.

For a man with a family living in a Chicago latitude (distance from the equator) shelter will be important. Suppose he wishes to live in an apartment with heat and water furnished. Let us say that rent will cost him \$4 a day. We draw the first column to the



height of \$4, and label it as representing shelter. The man in our opinion was not sinning when he selfishly wanted housing for his own family.

Let us assume the man is a tither. He will allocate \$2 to religious, educational and charitable causes. We draw a column to the height of \$2 for charity.

The family has hardly unpacked before the wife will think of going out and buying some meats and groceries. Let us assume she will buy a one-day supply. She is doing this for herself, her husband and her children. Selfish, of course. Nevertheless, we do not think she is a sinner when she starts down the street looking

for a meat market, grocery store and vegetable stand. What will she buy? A steak or hamburger; bread or cake; peas or beans; head lettuce or spinach; milk or coffee; salt or catchup; etc.? This mother is not going to think of others than herself and her own family when she makes these specific decisions and many more; (we have listed only a few of them). She *cannot* think of the requirements of others; she does not know those requirements as she knows the requirements of herself and her own family. She is no goddess who can be thinking of all the needs of all the other people in the whole world. Her decisions cannot be based on that. She is not working in any sense according to a "central plan" concocted by some mortal bureaucrat, who thinks he is God because he knows better what this woman should have for her family than she herself knows. Here is simple, sovereign "selfishness" at work. We commend this sovereign selfishness because this woman has no false pretensions to omniscience and engages in no sanctimonious talk about neighborly love, but does only her plain duty of buying what she thinks her family needs. She is not by action violating any commandment of God, unless she uses coercion against the grocer, or lies to him, or steals from him. She is not a sinner by this action, unless she violates the specific commandments of God, as presented in the Decalogue.

The meat and groceries will cost money. This woman must have her own estimate of how much she can spend. She as well as her husband knows that the average total they can spend in a day is \$20. She has an upper limit. The retailers from whom she buys do not know how much she has to spend; how could they know? Retailers do not know the exact income of all their customers, or what each one wishes to allocate to food. In fact, it is none of their business. The woman, on her side, is no expert on what the costs are on all the foodstuffs she buys. She picks and chooses to make her money—whatever the amount she has in mind—go as far as she can, according to the way she, her husband, and her children wish to eat—their whole financial situation being taken into account when the allocation of funds for food is made.

The market transactions that take place as this woman buys are affected by innumerable people. If they have all acted freely

(without coercion) and honestly, the transactions do not violate the commandments of God. Certainly, every decision that everybody makes will be, in a sense, under duress. Much of that duress should be described as evidence of *finiteness*, and not as evidence of sin. Everybody is making his own specific calculation; the woman probably is determined to hold her total outlay to say, not more than \$5; that is all that she is willing to spend for food; that keeps her from buying a lush steak and fancy bonbons. In a sense, it is too bad that she cannot buy all the food (and all the other things) she wants. If she becomes bitter and reviles somebody for the fact that she, as well as others, is subject to a universal *welfare-shortage*, then she can blame (1) God who made the world and everything in it finite; or (2) other people besides herself and her family on the ground that they have used coercion, fraud and theft against her; or (3) other people although they have not used coercion, fraud and theft against her (which is evidence that she is *covetous*, in violation of the Tenth Commandment); or (4) she can blame herself and her husband. The "duress" under which this woman buys is either God's fault, her husband's fault, the non-coercive dealings of others, or it is because others in dealing with her violate the Law of God.

But the "duress" under which the woman buys is matched by the "duress" under which the grocer and meat dealer sell. They, too, have a wife and children to support. Maybe they also earn a net income after taxes of \$20 a day. Maybe more; maybe less. The woman cannot know that. She has just moved into town. She will probably never learn the exact facts on that. What she will do, *if she is free*, is buy wherever she can get the most for her money. Her every decision is, therefore, selfish — and properly so. Or should she go to an inefficient dealer with poor merchandise and high prices and buy from him — out of some mistaken notion of neighborly love? Why should such a dealer stay in business? Why should she have to "support" him, by self-disadvantageous purchases?

Behind the food dealers are a host of other people. Delivery men who delivered the food to the stores; wholesalers, farmers, implement manufacturers, box makers, paper manufacturers, gas and light companies, refrigeration companies, contractors and craftsmen who built the stores, municipalities controlling sewers and

streets, importers of spices and foods from abroad, boats, docks, warehouses, bankers, brokers — the list is endless. All these did something which is part of the cost of the products the groceryman and the butcher sell.

Can this lone woman buyer whose husband earns \$20 a day concern herself with all those *cost* factors affecting the price of the foodstuff she buys? We repeat, she is not a goddess who *can* know all these things. The whole *free* market process in which she operates is a humble, divided process. Each person is on his own. He *cannot* know all. He *cannot* be his brother's keeper. It would be boundless arrogance to pretend to have such comprehensive knowledge. All that a sincere and intelligent person can do is decide for himself (necessarily selfishly) and not try to decide beyond his (her) own direct knowledge.

But there are always the requirements of the Law of God — *no coercion, no theft, no fraud*. It is when these laws are violated, that ugly sin enters into the picture.

We now draw in our chart the columns for this woman's purchases of specific foods:

	<i>Dollars</i>
Meat	\$2.00
Milk	.60
Bread	.50
Potatoes	.30
Beans	.20
Etc.	1.40
	<hr/>
	\$5.00

Nevertheless, in the estimate of some this whole transaction, freely and honestly engaged in by the wife and the retailers, may be basically *sin*. The argument can go this way. Here was a woman comfortably buying wholesome refrigerated, nourishing foodstuffs in ample supply for herself and her family. But in Hyderabad, India, there was another woman starving to death. Also in Tanganyika in Africa, there was a family of ten which suffered acutely from malnutrition; the diet was unbalanced; the health of the family was impaired. And so on; there are, in fact,

almost 2,500,000,000 people in the world; some have good food; some bad food; some have not enough to be healthful or even to survive. Maybe, because this wife and mother blithely bought her own ample supplies, while millions did not have half so much, she should be accounted a corrupted sinner. She obviously is part of a system that *appears* to some people to be sinful. Missionaries to heathen lands, seeing the poverty and misery of people whom they go out to evangelize, begin to ponder just that problem — namely, the homeland is rich; this land is tragically poor; presto, Adam's sin or the sins of the homeland explains why the citizens of the homeland have much, and the local citizens have little. *Sin* is supposed to explain the inequalities and the tragic differences. See the Verkuyl book previously mentioned.

Governments will not appear before the judgment seat of God; at least no mention of that is made in Scripture; but individuals will. This woman who is buying her foodstuffs will have to be judged a sinner in having bought this food, or in being a nonsinner in regard to her purchases. How can she be properly judged?

It appears unreasonable to consider her to have been a grievous sinner when she bought her fine and ample groceries while others were starving or were malnourished elsewhere. She should however not be exonerated with some favoritism toward her, nor with careless indifference to the plight of others. But nevertheless, in common sense, she should be exonerated.

This woman did not *know* about the starving woman in Hyderabad nor the malnutrition in Tanganyika. If she should happen to know those two cases, how about the two and a half billion cases of varying kinds that also existed. She *could* not know the significant data on housing, foodstuffs, clothing etc., for all these people unless she were a practically omniscient goddess. Certainly, it must be an obvious principle that no one should be held accountable for what he or she *cannot know*. Accountability and responsibility must be limited to possibilities and capabilities. If this wife and mother could not buy foodstuffs or anything else without sinning unless she first weighed *all* the food requirements of *all* the other wives and mothers in the *whole* world, when could she act? She would be paralyzed, because she could not comprehensively

know the situation, and not *knowing* it, could not judge it, and not being able to judge it, she could not properly be held accountable or responsible for it.

We have in this practical situation the *fundamental* objection to all comprehensive claims on individuals that they must be *unselfish*, namely, no single person's knowledge *can* be adequate to make *general* plans *nor make decisions which take other people into account as well as they can take their own needs into account*.

If the idea that "loving the neighbor as thyself" means that you must take the needs of all your neighbors into account in your calculations as much as you take your own into account, then the ethics of the Christian religion have become ridiculous as well as sanctimonious.

It is this absurdity about mortal men being required really to be omniscient in order not to be unselfish which lies hidden or unrealized in the blather one hears everywhere about the requirement to be *unselfish*. Get away from fine-sounding *general* terms and get down to cases, and then fine words and the lofty sentiments turn out to be impossible of accomplishment, and because they are impossible they are silly as principles for conduct.

We let this woman walk home from market with her bag of foodstuffs, and refrain from "throwing any stones at her"—unless in her purchases she has used coercion, fraud, or has engaged in theft.

If this view of this woman's moral problem does not appear moral, then how should she have acted in regard to foodstuffs for her family in order to have avoided *sin*? We shall be glad to publish a higher ethic than we have yet been able to discover, if such ethic exists. We are not aware that there is any statement in Scripture that when a woman buys foodstuffs for her family she should be *unselfish*, that is, take into account before she buys for her own family what every other family in the world needs for its nutrition.

* * *

Already, \$11 of this family's \$20 has been spent—\$4 for shelter, heat, water and janitor service; \$2 for charity; \$5 for food.

The gas tank of the car was almost empty when the family arrived in Chicago. Some gasoline must be bought. For travel that day, let us assume that \$1 is allocated for gas. We show this on the Chart at the height of \$1. When the husband buys this gasoline he pays the posted price per gallon.

He is a conscientious man who takes his religion seriously, and he has heard a great deal while sitting in the pew in his church about a *just* price. Was the three gallons of gasoline which he got for his \$1, or 33-1/3 cents a gallon a *just* price?

(to be continued)

Declarations Of Progressive Calvinism League

1. (a) Promote brotherly love as required by the Christian religion; and (b) attack all "extensions" of the Scriptural rule which extensions make the rule sanctimonious.
2. (a) Promote the further discovery of the greatness of God, as revealed in nature and in Scripture, by (1) promoting an attitude toward research in the sciences which will be fruitful in results and will inspire men with humility and awe; and by (2) rejecting the idea that the comprehension of special revelation has been completed; the Scriptures must be reapplied to changing circumstances.
3. (a) Promote awareness of the limitations of the human mind, that is, promote true humility; and (b) resist the arrogance of all attempts at universal planning, that is, all attempts at pretending we are as God, and all Comtian Positivism.
4. (a) Promote a single rule of morality; and (b) reject a dual rule, namely, one rule for individuals and a conflicting rule for groups.
5. (a) Promote confidence that prosperity obtained in a free market society is the result of obedience to the law of God; and (b) discontinue all apologies for that prosperity and all policies which will undermine that prosperity.
6. (a) Promote a program for this life (1) which will be distinguishable (antithetical) from a non-faith

program, (2) which will bring good temporal results, and (3) which, therefore, cannot discredit Christianity's message in matters beyond this life; and (b) resist all programs borrowed from non-Christian sources which science and experience will reveal as unsound for this life, and which will consequently discredit Christianity's supernatural message.

There are many people who agree with us but who do not join us. They remind us of David Thoreau and Ralph Waldo Emerson.

Thoreau was an individualist: he would not pay his taxes, or something. They put him in jail.

Emerson, a minister, sensing a pastoral duty to visit his friend, went to the jail.

He began something like this: "Henry, what are you doing in there?"

Thoreau replied: "Ralph, what are you doing out there?"

We have not yet been in difficulty for anything published in *PROGRESSIVE CALVINISM*, but to those who agree with us but do not join, we say with Thoreau, "What are you doing out there with those with whom you disagree?" Join us!

PROGRESSIVE CALVINISM LEAGUE

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The Ethical Commandment In The Decalogue Legislating Freedom

The Sixth Commandment is, Thou shalt not kill.

Despite the relative absence of outright murder in modern Western society, this Sixth Commandment is one of the most frequently disobeyed commandments in the Law of Moses.

Undoubtedly this commandment forbids violence as well as murder.

Undoubtedly, too, this commandment also forbids coercion. Coercion is a broader term than violence, because it covers violence that has been legalized as well as violence that is illegal; and it covers also subtle coercion unaccompanied by sound and fury.

The following three statements cover the same idea:

1. Thou shalt not kill.
2. Thou shalt not commit violence.
3. Thou shalt not coerce.

Not all present-day Christians accept the commandment in the comprehensive form of, Thou shalt not coerce; for example, some members of the Christian Reformed church do not.

The social gospel does not abhor coercion. Every social gospeller that we know, without exception, has a program which is nothing else eventually than the paradox of using coercion to accomplish an alleged brotherly love. If meekness is the antonym for coercion, then there is no real meekness in any social gospeller known to us.

Consider the Christian Labor Association, supported in part by collections in Christian Reformed churches. It favors compelling men to pay dues to a union, or making compensatory contributions, whether they wish to or not. This is nothing else than coercion, and is as plainly a violation of the Sixth Commandment as is murder.

The Sixth Commandment protects freedom as much as it protects life, or else there is nothing in the Second Table of the Ten Commandments in favor of freedom. The people who do not believe in freedom are the people who do not believe that the Sixth Commandment prohibits coercion, or they do not believe in the Commandments at all.

Freedom, as far as the Law of Moses goes, depends vitally on the Sixth Commandment. However, there is a second Commandment which also protects freedom.

The Theological Commandment In The Decalogue Legislating Freedom

Abraham was a great man on at least three counts:

1. He realized that his significance would depend in part on the mere number of his descendants. Apparently he had an intense wish that his descendants would be as the "sands of the sea and the stars of the heaven in number." That wish of his was promised to be fulfilled and has been fulfilled.

2. More significantly, he was clearheaded enough to realize that faith was more important than sight; that the correct explanation of the world is as important as the world itself; that neither atheism nor agnosticism ultimately "makes sense"; that "faith is a *conviction* of things not seen"; that the universe is meaningless unless there is a Creator; from things seen, that which is material, Abraham's thought jumped boldly to that which is not seen, the world of the mind (the spiritual).

3. Further still more significantly, he was a solitary monotheist, in an environment of universal polytheism. He believed in *one* God. By this he gave evidence of being an independent and powerful thinker. To him the universe must have appeared a unity, not explainable by a multiplicity of petty and local deities, and certainly not by a "material" God, but one invisible and unfathomable. Modern knowledge has liquidated polytheism. The only religion which can survive must, as Abraham clearly realized long ago, be monotheistic.

The multiplicity of gods and the creation of gods in the form of images were best ridiculed centuries after Abraham by one of his descendants, the prophet Isaiah. Isaiah argues against images as gods by saying that a man picks up two sticks or two pieces of wood. The one he burns for heat, and the other he carves into a god! How can such a carved stick of wood be a god which, except for the arbitrary and capricious choice of the man, would have been consigned to the fire? Something created by man cannot be god.

Polytheism and idols are now historically things of the past, but has the First Commandment beginning with the challenging statement, "Hear, O Israel, your God is one God," become meaningless? Modern ministers may be rather hard pressed to find good examples of present-day violations of the First Commandment, Thou shalt have no other gods before me. But modern man has false gods just as the ancient Canaanites had.

The Distinction Between Power And Authority

A distinction should be made between power and authority.

1. Power is the ability to act, or capacity for action; both right or wrong, both legal or illegal.

2. Authority is defined in the dictionary as "legal or rightful power." But what is legal may not necessarily be right. This definition of authority therefore contains an ambiguity. The church of which we are members considers all legalized power to be authority.

3. Authority, in PROGRESSIVE CALVINISM, is used in a more restricted sense; authority, as we use the term, means only rightful power. By *rightful* we mean what the Law of Moses says about what is rightful. If a civil law violates the Law of Moses that law does not have authority in our estimation; we must obey God rather than men.

Under compulsion we all submit to power. We have no choice. We may be led to the execution block. The very definition of power is that it has the capability of exercising force and doing so in order to accomplish its will. So-called authority which is merely legalized wrong is not authority for any devout Christian.

Submitting To Power As If It Were Authority Violates The First Commandment

But, when we submit to power *as if it were a legitimate authority*, then we perpetrate a violation of the First as well as the Sixth Commandment. Authority, according to the Hebrew-Christian religions, can stem only from actions in conformity with the Law of God. Only when we obey that Law, do we not have other gods

before us. But when we disobey that law, by accepting as authority someone or some organization which legislates or requires of us something contrary to the Law of God, and if we bow to that power as if it were authority, then we have indeed a false god before us.

If bald power alone is illegitimate, and if genuine authority is limited, all else must be reserved to liberty. The reward for that enormous reservation of complete liberty is indicated by, Blessed are the meek [who do not appeal to coercion] for they shall inherit the earth. We interpret "inherit the earth" as meaning temporal and earthly welfare and happiness.

Every invasion of liberty by power without genuine authority is a violation of the Sixth Commandment. But the situation becomes even worse if a power which restricts legitimate liberty is recognized as an authority; then not only has the Sixth Commandment been violated, but also the First, Thou shalt have no other gods before me.

The broadest and most significant way to evaluate the First Commandment in our modern world is to consider it a commandment requiring resistance to all power which falsely claims the name of authority in order purposely or incidentally to violate any of the Commandments of God.

Unless we work to restrict power to the field of authority, and thereby promote liberty, we have opened the door for all kinds of modern gods — states, unions, dictators, monopolies, cartels, synods, general assemblies, church councils. These are the modern Baals and Ashtoreths, except when they obey the Commandments of God. For some of them the requirement to obey the Law of God will practically mean that they have to go out of existence.

People Should Be Classified Not As Capitalists Or Socialists But As FOR Or AGAINST The Law Of God

On all sides we hear about capitalism. People say, capitalism is this or capitalism is that.

What is capitalism?

Big banking? Mass production and distribution? Freedom to live your own economic life? Prosperity? Exploitation? Private ownership of the means of production? Free markets?

Karl Marx essentially defined capitalism as a system of freedom by which the strong can and do exploit the weak. The definition is false.

If you are in favor of capitalism, of what are you in favor? If you are against capitalism, what are you against?

Our definition of capitalism is this: freedom except in so far as freedom is restricted by the Law of Moses (the Decalogue).

Capitalism by this definition is merely a system of rules for human action — complete freedom except no freedom to do wrong. Those rules; nothing else.

Capitalism, as it is usually talked about, is a vague and general thing. Moses did not talk about capitalism. He was a man who may have mistrusted, or at least did not use, general terms such as capitalism or socialism; he did not give names to abstractions. He was right down to earth — he had certain basic rules for human action. There is no better way to strip all ethics, politics and economics down to reality than by operating according to mere rules of action.

In the final analysis, capitalism is either synonymous with Moses's rules or not. In the final analysis too, socialism and communism are either synonymous with Moses's rules or not.

Marx was perfectly clear about that question. For him, capitalism was Moses's rules, and he execrated them. Many modern Christians differ from Marx in that they think Moses's rules can be harmonized with socialism-communism. Marx would have ridiculed them.

Why not classify people, not on the basis that they are capitalists or socialist-communists, but instead on the basis of agreeing with the Law of Moses or disagreeing with the Law of Moses? That is the best classification in the world.

If you think the real classification is capitalists versus socialists, rather than *for* the Law of God or *against* the Law of God,

then you should give thought to the question whether you have been able to relate the Law of God significantly to the issue of capitalism versus socialism.

PROGRESSIVE CALVINISM is a pro-Law-of-God publication, and is a pro-capitalist publication exactly as far as capitalism agrees with the Law of God. As none of the principles of socialism can be reconciled with the Law of God, we are wholly anti-socialist.

A Small Investor's Hedge Against Inflation

(This article is a follow-up on what has been written in earlier issues about a man protecting himself during inflationism from reduction or even destruction of the purchasing power of his savings.)

The small investor is almost always an uninformed and inexperienced investor. An investor with much funds to invest either acquires experience, employs guidance, or has a big enough account so that he can turn the whole job over to the trust department of a bank or a similar institution.

No one can afford to be careless with his money, but the less a man has, the more conservative he should probably be. Not even the rich willingly risk all their assets in one investment. They diversify as much as they can; there is considerable protection from such diversification. A small investor does not have enough assets to diversify.

The consequence of this is that a small investor feels restricted to accumulate his savings in (1) savings accounts in banks, (2) in building and loan association deposits, in (3) insurance, in (4) government bonds, in (5) municipal and other bonds, in (6) mortgages, or (7) simply in a checking account carrying no interest. In every one of the situations mentioned this small investor is a creditor, a lender, because he lets others use his money.

However, if he buys a house or a farm "on time" he becomes a debtor. That is about the only circumstance in which he finds himself as a debtor *in regard to investments*; (we are here ignoring

debts incurred to buy consumer goods as automobiles, furniture, and mechanical household equipment; we are here considering investments made for income purposes and to establish a so-called "nest egg," that is, future purchasing power).

If a small investor goes to a competent advisor such as a trust officer in a bank, the latter will feel constrained to be "conservative" and will recommend some bond or investment in insurance. It takes an uncommon amount of courage to advise a small investor to buy "things" rather than to invest in a conservative "call on dollars," which dollars unfortunately are shrinking all the time in purchasing power because of inflationism.

The small investor then is at a serious disadvantage in an inflationary economy; he lacks exactly the experience and skills which he really needs. This is bad for a typical young married man, but is far worse for the typical widow or spinster or for a girl trying to save in anticipation of marriage; what does the typical woman know about risk investments, such as investments in stocks?

As the economist of a great city bank once said: "In an inflationary economy the substantial, conservative people never do well; they invest too conservatively." But for a small investor there appears to be no other option than always to be "conservative."

In such a plight what can the small investor do to "hedge against inflation"?

In the latest thirty years a type of investment has been developed which appears the least unsatisfactory to a small investor or to any uninformed investor whether large or small. We refer to the so-called Investment Trusts.

A small investor's procedure might be as follows:

1. He buys 100 shares of stock in an investment trust at say \$20 a share, or \$2,000 worth.

2. By doing that he becomes the part owner of the shares of a large number of well established corporations, usually the so-called "blue chips." It is the function of investment trusts to *diversify* their investments. The trust buys with the funds it receives from our investor and from others like him additional shares in the same companies or in still other companies. It is as

if all the people in a town pooled their resources and bought stocks in 50 different companies. If one man puts in \$2,000 worth of money, then that would be spread over the 50 companies in the pool. He would have, for so small an investment, an astonishing diversification.

3. As the 50 companies whose stock was owned by the investment trust paid dividends to it, it would pay dividends proportionately to each of its stockholders, after first deducting its own expenses. The deduction is for the services of the trust. To some the fee for this may appear to be expensive, but undoubtedly experience has proved that it is about right, namely $12\frac{1}{2}$ to 15% of the gross dividends received. If the gross dividend yield on the trust's investments is 5%, and if 15% of that must be deducted for services, then the cost of the service is $\frac{3}{4}$ of one percent. The resulting return is $4\frac{1}{4}\%$ ($5\% - \frac{3}{4}\% = 4\frac{1}{4}\%$), or better than for many bonds.

4. But there should be other income for the investor over a period of time, namely, gains in the price of securities of the 50 companies whose stocks are held. If such stocks are sold from time to time, the customary practice (in order to save on taxes) is to pay out the gains *pro rata*. If some stock is not sold, and if the market price of that stock increases, then that enhances the value of the stock of the Investment Trust. It is from the gains and the higher prices that the investor has a partial hedge against inflation. Assume that over a number of years the average increase in market price of the underlying stocks is 5%. What then is the return to the investor? It is the $4\frac{1}{4}\%$ previously mentioned plus the 5%, or a total of $9\frac{1}{4}\%$. Part of this is not real income but is an offset against inflation, but that is exactly what the small investor (every investor, in fact) needs. There will also be a deduction for capital gains which must be paid as income taxes.

5. A further advantage of this type of investment is its marketability. If the investor wishes to convert his investment into cash, he can sell it either (1) back to the investment company itself, or (2) to someone else through a broker.

6. There are two types of investment trusts; the Open End and the Closed End.

The Open End companies, if an investor is selling, buy in their own stock at the market value of the underlying securities on that day, and sell underlying securities in order to get the funds to do that. The Open End companies recover part of their costs for buying and selling for you by charging you 12½ or 15% over the market price of the underlying securities *when you first buy*. This is part of your "service charge." However, you get the full price without any deduction when you sell.

The Closed End trusts do not buy back their own stocks; you sell or buy the stock of the Trust through a broker, "at the market"; the Closed End trusts can be bought and sold only by paying a commission. The stock market price of the Closed End companies often varies considerably from the market value of the underlying assets; some sell for more than the value of underlying assets; others for less.

7. Small investors may wish to go to their banker and ask him what investment trusts to consider. Of course, there is no "sure thing" in this world; all investments have their hazards. Investors who invest directly in stocks or indirectly in investment trusts should remember that prices on the stock market are highly variable. That is inevitable. When buyers are more eager than sellers, prices rise; when sellers are more eager than buyers, prices decline. Stocks can easily fluctuate 30% above or below a purchase price — a fluctuation which may appear to be mere chance. Purchasers must be prepared for that vicissitude. If in one year the price goes up maybe 30%, that does not prove you are wise; and if the price goes down 30%, that does not prove you are a fool. Whoever invests in stocks must be prepared to be a gainer or loser by "chance" over relatively short periods of time. But if one invests steadily year in — year out, then the chance factors should neutralize each other; an investor will be "lucky" one year and "unlucky" the next; in the "long run" he should be substantially ahead.

8. In a short period of time an investment in "things" (stocks) may do badly. Over a longer period it should do well — assuming continued inflation caused by inflationism. The assumption of continuing inflationism is the only reasonable one. Every economy in the history of man has eventually inflated until ruined,

unless it was on a gold or precious-metal standard. We in the United States are not on a gold or precious-metal standard today. All history, then, foretells that we shall have continued inflationism. Astute investors expect it. It is wise to hedge as well as you can against what all prior history indicates will happen in the United States, unless the country goes back again to a gold standard. Few people wish that; still fewer consider it feasible; we are, therefore, blithely on our way to disaster.

9. Eventually, there is practically no sure "hedge" whatever against the consequences of inflationism. Scripture says, Your sins will find you out. That is true of nations as well as individuals.

Definitions Of Egoism, Egotism, Selfishness, Altruism

A Funk and Wagnalls [F&W] Standard Dictionary and the Concise Oxford [CO] Dictionary define the four words constituting the title of this article as follows:

EGOISM: The doctrine that the supreme end of human conduct is the perfection or happiness of the *ego*, or self; and that all virtue consists in the pursuit of self-interest. In loose usage, the part of the theory or practice of conduct or duty that has reference to oneself, as distinguished from *altruism*. — [F&W] Theory that treats self-interest as the foundation of morality; systematic selfishness; self-opinionatedness. — [CO]

EGOTISM: The habit or practise of thinking and talking much of oneself, or the spirit that leads to this practise; self-exaltation. — [F&W] Too frequent use of "i" and "me"; practice of talking about oneself; self-conceit; selfishness. — [CO]

SELFISHNESS: The quality of being selfish; undue regard for one's own interest, regardless of others. Syn.; self-love. *Self-love* is a due care for one's own happiness and well-being, which is perfectly compatible with justice, generosity, or benevolence toward others; *selfishness* is an undue or exclusive care for one's own comfort or pleasure, regardless of the happiness, and often of the rights, of others. Self-love is necessary to high endeavor, and even

to self-preservation; *selfishness* limits endeavor to a narrow circle of intensely personal aims, destroys all tender sympathies, and is ultimately fatal not only to the welfare but to the happiness of him who cherishes it. — [F&W] **SELFISH**: Deficient in consideration for others, alive chiefly to personal profit or pleasure, actuated by self-interest, (of motives etc.) appealing to self-interest (*theory of morals*, that pursuit of pleasure of one kind or another is the ultimate spring of every action). — [CO]

ALTRUISM: Devotion to the interests of others; disinterested benevolence; opposed to egoism. — [F&W] Regard for others as a principle of action. — [CO]

In this analysis egotism which is foolish if not sinful is not being considered; egoism is. In this analysis, too, selfishness in the bad sense given by Funk and Wagnalls is not being considered either. We are considering selfishness only as having the same meaning that egoism has; we are following the Oxford dictionary which defines egoism as selfishness. Heretofore we have used selfishness rather than egoism because it is the forthright Anglo-Saxon word, and consequently more challenging than the Latin word, egoism. Hereafter we shall use egoism and selfishness interchangeably.

Everybody who understands what the dictionaries say about egoism will understand what we mean by selfishness, namely, something pertaining to the self is the honestly admitted customary motivation for action.

The social gospel and communism both set up altruism as the main standard of conduct. There are people who say you sin except when you are altruistic; they set a sanctimonious and contra-Biblical standard.

The position being outlined in these issues of PROGRESSIVE CALVINISM is that egoism (self-interest, self-love, selfishness) is always the proper motivation on practical, everyday questions except when someone should engage in Biblical charity. It is only then that the motivation should be altruistic. Although we do not wish to be mathematical about it, we would say that the customary ratio should be 90% egoism and 10% altruism. Actually, circumstances should control; the standard should be 10% altruism as a minimum; increases above that should be pragmatic.

If a government enforced a 100% altruism, From each according to his ability to each according to his need, then a man would and could have no further material obligation to his neighbor.

The only point at which a man has an unlimited obligation to his neighbor, under the scriptural definition of neighborly love, is in connection with the gospel—that is, the obligation to help the neighbor get his thinking straight, on *all* matters, including his present and future spiritual welfare. Your neighbor's claim on you to be forewarned by you on everything that may be harmful to him is unlimited. Whereas the Christian religion does not require unlimited materialistic altruism, it is emphatic in its requirement of unlimited spiritual altruism; it demands helpful "public relations" more emphatically than any other religion and lifeway.

That is one of the most admirable features of this religion.

In the current issues we are considering only materialistic altruism.

Altruism Is Based On The Hallucination Of Omniscience, Or On Coercion

The living have wants. They are aware of those wants. They are motivated to act to satisfy those wants. The question is: should a man be altruistic in his motivations or egoistic; or, in slightly different phraseology, should a man be unselfish or selfish in his decisions and actions?

The answer to this question, if a man is to be realistic, is that the motivations must basically, because of the limitations of the human mind, be egoistic or selfish. There are people who pretend otherwise, but (1) they have deceived themselves, or (2) they would have us believe that they are better than they really are and (3) that they have more knowledge than they really have.

An idealism which consists in setting up altruism rather than egoism as the basically right motivation for conduct is always shipwrecked on either of two rocks, namely, (1) altruism requires coercion to accomplish its objective; or (2) altruism requires omniscience in order to make decisions for others, and thereby be altruistic. Both objections are final, but of these two the second is the more fundamental.

In the May issue we gave consideration to the impossibility of a mortal human being (in that case a housewife) really knowing what other human beings need; it is just that knowledge which is necessary to guide altruism. A woman shopping for her own family only will make mistakes in judgment compared to a perfectionist standard for shopping; but her task becomes an overpowering impossibility if she must consider, when she shops, the needs of all other families as well as her own.

We are continuing in this issue to describe the intellectual obstacles to employing altruism as the broad basis for action.

Later we shall discuss the relationship between altruism and coercion; it is when it becomes evident that omniscience does not exist that recourse is had to coercion. As human omniscience is a hallucination, the only ultimate basis for altruism is coercion.

What an incongruous combination: altruism and coercion!

And what an absurdity when the Christian religion teaches altruism, and consequently is committed to belief in human omniscience or in the validity of coercion!

The Character Of Our Choices

(continued from the May issue)

In the May issue we began consideration of how a family, consisting of a husband, wife and three children which had just moved to Chicago and which had an average net daily income of \$20 (\$7,300 a year), would spend (or allocate) that amount to various purposes, and under what limitations husband and wife would make their various decisions. Emphasis should be placed on the *net* income of \$20 a day; that excludes income taxes and social security deductions; after those have been deducted there was still \$20 a day left for husband and wife to allocate.

A description was given in the May issue of the decisions on the expenditure of \$12 a day out of the total of \$20. We allocated, in an illustrative manner, \$4 a day for shelter; \$2 a day

for tithe money; \$5 for food; and \$1 a day for gasoline. There is \$8 yet to be allocated.

* * *

Last month in connection with a description of the purchasing of foodstuffs for her family, we gave consideration to the intellectual impossibility of the wife considering the needs of her "neighbors" as well as her own. She literally could not know the requirements of all the other households in Chicago and in the world for food. To know that, she would have required a practically omniscient mind, which she certainly does not have. She could not be her "neighbors' keeper" even if she might wish to be. Merely using common sense, it is obvious that God alone can undertake the task of being some mortal man's keeper. No other mortal man should undertake to be his "neighbors' keeper"; he will be undertaking something, first, beyond his knowledge, and, second, beyond his ability to "keep" his neighbor. If the so-called Christian religion teaches that we are our "brothers' keepers" and should act accordingly, then it makes itself a laughing stock for teaching that impossible and silly doctrine.

The idea that Scripture teaches that we are our "brothers' keepers" stems from a rhetorical question by the first murderer, Cain, whose question was itself a lie because it misstated the issue. Supposed "legislation" from that base source and occasioned by criminal circumstances under which the question arose should not be regarded as the supreme rule for relations among men. Cain was as bad a legislator as he was a bad brother.

The Intellect Precedes The Will, Even In Moral Questions

Altruism, which most people believe is a wonderful thing, should in significant respects be classed with collectivism, including socialism and communism. The foundation underlying all these "isms" is the same, namely an exaggerated estimate of what the human mind can know. The exaggerated estimate of what men can know is a notorious, conscienceless, contrary-to-fact arrogance, or as the ancient Greeks would have called it, a *hubris*.

The feasibility of altruism is not, in the final analysis, a question of the will, or of motivation, or of brotherly love; it is

instead a question of the intellect. The opposite of altruism, namely, egoism (self-love, selfishness) is not, in the final analysis either a question of the will, or of motivation, or of the lack of brotherly love; it too is instead a question of the intellect.

Merely for the sake of stating clearly the issue involved, let us for a moment grant (what is not in reality granted) that a man ought to be his brother's keeper; that is, be altruistic; and that he ought to be ready to stake his reputation for manifesting brotherly love on being nonselfseeking and on acting on the principle, from himself according to his ability to everybody else according to their needs. He has, let us assume (although it is generally contrary to fact) the altruistic, socialistic, social gospel motive; his will is to act according to an altruistic rather than an egoistic principle. His attitude will be a sinless one, according to this idea.

But even if he has that will to be altruistic, and by being altruistic presumably to be sinless, can he really accomplish that altruism despite the perfection of his will and the sinlessness of his motivation? The answer must be an unqualified no. Though his will be perfect, his mind is finite. No man knows enough to be an altruist in all his dealings. To be an altruist implies that you know better than others what their needs are and the proper way to satisfy their needs.

But these ideas are generalities to most people. It is desirable therefore to give detailed consideration to a specific case and see how impossible it is, for intellectual rather than moral reasons, to be altruistic.

Consider the question of a *just* price. Of course, we are all in favor of a just price. But this is fine talk, and pious sentiment, except when we make an egoistic approach to the question of price determination. What popular moralists usually mean by a just price is meaningless, or if not meaningless, is certain to be evil.

The Tithe Is High Wisdom

Let us return to our newly arrived family in Chicago.

For one day's driving \$1 was allocated to gasoline. Was the husband of the family a selfish sinner when he bought that dollar's worth of gasoline?

We have here a husband who, together with his family, thinks he needs transportation. He does not need it in the sense that his life depends upon it. But he needs the gasoline in order to get to work in a short time. The alternative is that it will take him two hours to walk to work and two hours to return home. But by automobile it is 15 minutes each way. He saves $3\frac{1}{2}$ hours a day by driving an automobile. Maybe the husband should have walked to work and the \$1 he is spending for gas should have gone to provide better street car service in Singapore; or maybe it should have gone for medical supplies in Nigeria. Was his decision to buy gasoline selfish in the sense of being sin?

There are three possible injustices or sins involved in having bought the gasoline at $33\frac{1}{3}$ ¢ a gallon: (1) maybe it should not have been bought at all and the man should have walked to work; or (2) the price may have been unjustly low; or (3) the price may have been unjustly high.

If we are our "brothers' keeper" as the social gospel would have it, what should this husband do; decide not to buy gasoline? insist on buying at a higher price? or demand a lower price?

First, should he have walked and given the money to someone else?

In the May issue, the second allocation that was made of the total daily income of \$20 was to charity, in the amount of \$2, or 10% of the total. The 10% is obviously the Biblical tithe.

Consideration here being given to ethical questions is more of a logical character than Biblical, and the validity and adequacy of the tithe needs scrutiny. If it is inadequate, there is reason to believe the figure should be raised by, say, adding the \$1 for gasoline to the charity allocation, and making the husband walk to work. Really, then, we are not talking merely of \$1 for gasoline, but of the 4 hours walking. The "price" of the gasoline (together with the other costs of the car) consists in the time otherwise devoted to walking, wear of shoe leather, etc.

Let us first consider whether there should be any charity whatever, from a rational viewpoint.

Recently we sat in a meeting where \$250,000 was "expected" from the largest company in the city, for a new \$2,500,000 YMCA building. Of that amount \$50,000 was requested at once. The company currently is not paying dividends to its stockholders. Why pay out a large sum to a "charity" when the stockholders are getting nothing?

It was decided not to make a current contribution, but nevertheless the argument in favor of doing so had considerable force.

One man argued: new YMCA facilities are needed; young people should have a wholesome place for athletics. If the people do not *voluntarily* provide such facilities, then the municipality will. Then the operation will cost more, be less efficient, will be government controlled, and the cost will be in the taxes. The citizens will have to pay involuntarily what they could have had at less cost voluntarily.

The logical argument for charity gets down to this: *If citizens do not individually and collectively do voluntarily on their own initiative certain things which are really needed in communal life, then there will be group action taken which makes it compulsory and puts the power in the hands of the government. If the government is to be kept in bounds, then one of the devices to restrict government expansionism is voluntary charity to help the afflicted, to provide education, and to support religion.*

Sir, you will pay for it one way or another, and so you had better do it in the way you can get the most for your money, and can control it best yourself.

We are of the opinion that no good society can exist without there being charity. Charity is a necessary institution, and not an arbitrary religious requirement. Charity is one form of the highest wisdom in the affairs of men. Cheat on charity, and the government will take over, and you will then have mal-administered, expensive and even wasteful charity. Laugh at the tithe if you wish, but you will not laugh in the end. You will eventually discover that you were unwise. By not voluntarily contributing you failed to help people genuinely in need, you lost public good will, and after having lost face and character in the community, you had to participate in the end in aid which was not really charity, and which was provided by funds extorted from you by the tax gatherer.

* * *

There remains the question of the amount of the charity, or the percent it should be of your income.

The great lawgivers in the history of men have stated principles in unqualified terms. It is ordinarily not feasible to legislate about "degrees," and to say so much is good and so much is bad. Nevertheless, charity is a problem of "degree."

The gamut of the percent which should go to charity is anything from zero to 100 percent. A general rule is not stated anywhere in Scripture requiring the giving of 100 percent. One hundred percent would be voluntary communism, from each according to his ability to each according to his need.

Is the 10 percent specified by the Christian religion too low or too high?

Let us begin by considering the consequences of voluntary charity of 100 percent of a man's income. Is it for the welfare of men? It is not and it will be ruinous. Why? Because then no real *capital* will be accumulated, and the standard of living for mankind will be as primitive as Adam's was originally. His standard of living was very low *because he lacked capital* (See PROGRESSIVE CALVINISM, September 1957, page 266 ff.).

The *formation of capital* (involving saving) is voluntarily accomplished only by a limited number of people in any society. They are the accumulators by inclination or circumstance. The majority do not accumulate because of lack of inclination or unfavorable circumstances.

Capital consists of the man-made tools of production. Capital cannot come into existence unless someone decides not to spend today for present *consumers'* goods, in order to obtain *producers'* goods (capital) tomorrow and later which will make future production easier and more productive at that time. Capital formation obviously looks to the future; something which might be had presently is forgone in order to obtain more in the future. Someone who restricts his current consumption in order to develop capital, of which the greatest benefit by far accrues to the future

public and not to the saver, is then someone who is doing something *for others in the future*. That may not be his purpose, but it is the consequence. Capital formation is a form of present self-denial by the saver by which both the public and the saver will be benefited in the future at present cost to the saver.

If then, *current* charity is to be 100%, then that is practically identical with saying that the objects of all our self-denial are to be restricted to our contemporaries only; we in effect decide not to make contributions to future generations. Have we obligations only to our contemporaries and not to our successors? We ourselves profit greatly from what our ancestors have saved for us.

It might be argued that our redistribution on the principle of 100% charity will nevertheless result in present capital formation for the benefit of the future. We suggest an immediate test. Let everyone who believes it and who has assets immediately distribute them, or a test portion, widely in small amounts to all they know who have no assets, and then see how much *capital formation* there is on the part of the recipients. Practically everything given away under this plan will be spent by the recipients for consumer goods. Savings will practically be nil.

If someone says that 100% charity will not result in the discontinuance of capital formation, and if in support of his position he cites Russia as a country which despite its alleged principles is nevertheless engaging in the formation of capital, then the answer is that the Russian case is significantly different.

We are here assuming 100% *voluntary* charity. In Russia the so-called charity is imposed on the people against their will. The government, by adopting a five-year plan, or whatever they call it, simply refuses to let consumers' goods be made in the quantity that the public wishes, and instead *compels* present resources to be used for the formation of capital (producers' goods). If some people are *presently* starved in Russia in order to obtain the *future* gain resulting from the formation of capital, then that is not so much good will or love of the neighbor or future descendants as it is a determination to raise the war potential of Russia (accomplishable by the formation of capital). Experience in Russia would undoubtedly be that if charity up to 100% were exercised, and if there were no government compulsion, then capital formation would be about nil in Russia, too.

In any event, 100% *present* charity would be a death blow to any *future* charity which would be enjoyed in the form of the colossal benefits derived from the increased production obtained from the formation of capital.

We come then to the conclusion that to have no charity at all is folly, and to have 100% charity is suicidal for the development of mankind beyond the most primitive savagery. The proper percentage of income to charity must be somewhere between zero and 100%. We refuse to undertake to set a figure of our own. As individuals committed to the moral precepts of Scripture we accept the 10%, the tithe, as a standard. If the other parts of Hebrew-Christian ethics are inspired and meritorious, we see no reason to reject the tithe. If you do not like that yourself, set your own percentage. But we would advise you against adopting a zero percent for charity or anything near it, or a 100 percent for charity or anything near it.

The husband in our present illustration having allocated 10% (\$2 a day) of his income to charity immediately after he had shelter for his family, has for our present purposes done his duty charity-wise, and is authorized to spend his \$1 for gasoline so that he can ride to work and back in 30 minutes rather than walk four hours daily.

The Absurdity Of A Just Price Slogan

But is the price of the gasoline he buys *just*? Is he *selfish* when he buys gasoline at 33 $\frac{1}{3}$ c a gallon? Is the price too low or too high? How does he assuredly avoid a guilty conscience about not having paid a *just* price, and consequently of having been selfish?

While sitting in the pew in his church he has repeatedly heard the admonition to promote a *just* price. The *sin* of an unjust price has been registered indelibly on his mind. But no one has been specific on what was a just wage for him to receive, or a just price for him to pay. He believes devoutly in the word *justice* in regard to wages and prices, and he has inferred that the present wages and prices are unjust, but nobody has ever progressed beyond the word and told him how high (or low) the wage and the price should be. On Sunday he solemnly decides to insist on justice in

regard to his wages and in regard to the prices he pays, but on weekdays he is at a loss to know what is a just wage and a just price. And he certainly does not wish to be guilty of the sin of being "selfish" in what he earns or in what he pays out.

He is unable to remember a single instance when a just wage or price has been defined to him, other than that it is not the existing price; he knows at least that, because all economic unhappiness and distress is ascribed to injustice in wages and prices. The 33 $\frac{1}{3}$ c must be an unjust price merely because it is an existing price! The evidence that the existing price must be unjust is inferred from the fact that there are rich people in the world and poor people in the world; *that* is proof of injustice. Further, the injustice done to some does not find its origin in the conduct of people in regard to themselves. It is a certainty that they have been unjustly treated, simply because they are weak relative to those who are strong. The strong, then, have set prices and wages which enrich the strong and impoverish the weak. Liberty is a bad thing!

The husband decides to discover what is a just price for gasoline. The first thing he wishes to learn is whether the man who is worth a million dollars is getting the lowest price at the corner filling station, and further, whether the poorest man in the neighborhood is paying the highest price, that is, are the strong taking advantage of the weak? When he gets his dollar's worth of gas he gets out of the car to ask questions. He notes that the posted price is 33 $\frac{1}{3}$ c a gallon.

He speaks to the filling station attendant: "Does everybody pay that price?"

The man looks up and grins: "Why yes," he says. "What makes you ask that?"

"You mean that the richest man in the neighborhood does not, because he is rich, get a lower price?" the husband asks.

"No, why should he; anyway, I do not know who my richest customer is. How *could* I know?"

"You mean that the poorest man in the neighborhood does not, because he is poor, pay a higher price than 33 $\frac{1}{3}$ c a gallon?" the husband asks.

"No, why should he; and anyway, how can I know who is the poorest customer I have; maybe he is some young fellow driving a fine car bought on time. Listen, everybody buying here pays $33\frac{1}{3}c$ a gallon for this grade of gasoline."

"Well if the richest man does not buy cheaper and the poorest man does not buy dearer, and everybody is paying $33\frac{1}{3}c$ whether rich or poor, then that equal price may be unjust. Have you ever thought of changing that, so that the richer your customer is the more you charge him and the poorer he is, the less you charge him? Maybe that would be a *just* price. That is the 'ability to pay' principle which underlies the progressive income tax; the higher the income, the higher the tax rate; they say that that is justice. Maybe you should price gasoline on the same basis, and charge more, the richer the customer is; and less, the poorer the customer is. There ought to be a *just* price you know. Whatever a just price is, it is not the present price. This free market that we have on gasoline and other things enables the strong to exploit the weak. The proof is that the strong are rich and the weak are poor. Prices maybe, in order to be *just*, should be different for your different customers."

The idea sounds new to the filling station attendant. Yes, he goes to church occasionally; he regularly sends his children to Sunday school. He remembers having heard something in church about a just price, but he has never paid attention to it. It sounded theoretical and silly to him. He could make nothing out of it.

He retreats a step or two to get a good look at his new customer. A queer fellow, apparently. Maybe crazy. Wants to vary prices by customers! How could he handle that! He says:

"Mister, I cannot vary my prices by customers, because I would immediately lose every one whom I tried to charge more than the prevailing market price of $33\frac{1}{3}c$. They would stop a half block up the highway and buy from my competitor. Anyway, how can I know who is rich and who is poor? Some rich people whom I know drive small cars. Some poor people I know drive some mighty fancy cars. I do not see their income tax return, nor know what real estate or securities they own. The government maybe knows what they earn. I do not. And as for giving a price lower than $33\frac{1}{3}c$ to the poor, where will that let me out?

I'll keep only customers who pay $33\frac{1}{3}$ c or less. Further, all the poor people buying elsewhere will flock to me. I'll be selling all my gas at less than $33\frac{1}{3}$ c. Do you want me to go broke? It will not work, mister, because even the rich will come to me and say that they are poor and want the lower price. How can I depend on what people say? Listen, the price here for everybody has got to be the competitive market price of $33\frac{1}{3}$ c a gallon, or three gallons for a dollar. A dollar, please."

The husband drives off. He thinks hard about what moral teachers can mean by a just wage and a just price. He concludes that it cannot be a variable price. The filling station cannot successfully discriminate against the poor or the rich. Neither will tolerate it. The price will have to be uniform to all customers at a given station, and also at different stations, quality of gas and service considered. Anyway, *one* conclusion can be reached. It will not be possible to have a variable price for so common a necessary as gasoline, or any other common necessary for that matter.

But that is a decisive and controlling conclusion. Uniform prices are practically inevitable in a free market *when customers can shop and buy where they wish*. Then maybe everybody is being robbed, rich and poor alike; or maybe everybody is robbing the dealers, rich and poor alike. But in any case it is impossible for the rich to be favored and the poor to be robbed.

Let us stop a minute and consider the implications of *freedom* in this case. It will be remembered that there is a basic criticism which Marx and the social gospel make against freedom, namely, that freedom is good for the strong but bad for the weak, because freedom permits the strong to exploit the weak.

It should be clear that in a free market, with *both* buyers and sellers really *free*, that the strong cannot buy nor sell better than the weak.

A service station owner or manager for a powerful oil company may decide to set his prices higher for some customers than others. That can have only one consequence: he will hurt nobody except himself. The customers whom he endeavors to charge excessively simply leave him; because they are free to do so, they do;

they do just that for the very good and virtuous reason that it is in their *selfish* or egoistic interests to do so. When they quit the dealer who wishes to charge them more than the prevailing market, nobody with a teaspoon of sense would consider them to be sinfully selfish.

In fact, freedom plus selfishness together, in the case just outlined, are what Von Mises refers to when he wrote in *Theory and History*, Yale University Press, 1957, page 169:

The Christian historians and economists who reject capitalism as an unfair system consider it blasphemous to describe egoism as a means Providence has chosen in order to attain its ends.

Egoism or selfishness *plus freedom* are in our opinion exactly what Mises says, to wit: "the means Providence has chosen to attain its ends."

* * *

But let us consider the alternative to that glorious freedom which includes the right to selfishness.

Maybe we need instead a *controlled* market price. Then the price of gasoline will surely be just! The husband now begins to ponder that idea. A controlled price would be wonderful if the price would drop below 33 $\frac{1}{3}$ c. But a controlled price would be bad for himself if the price would be set higher than 33 $\frac{1}{3}$ c.

He thinks hard. The first question he says to himself is, *who* will control the price? Next, if I were the controller, how would I know what the *just* price is?

Suppose, he thinks, that I myself would become the gasoline czar of America. What would be the price that I would set on gasoline?

Suppose that I raised the price to 40 cents. What would make that price *just*?

What reason can I think up? Ah, here is an answer; some of the crude oil for my gasoline comes from the Near East (Arabian territory) and some from Venezuela. The price of 33 $\frac{1}{3}$ c is unjust because the Arabians and the Venezuelans are not getting

enough for their crude oil. Those undeveloped countries are being exploited by the pluto-democracies, as the United States. That is a good reason! If I were the gasoline czar, I would use that as an excuse to raise the price to 40c a gallon at retail. I have decided that that is a just price in order to give the Arabians and others more. If I were gasoline czar and did that, I can imagine a headline in the *New York Times* saying: "Gasoline Czar Raises Gasoline to Just Price of 40c." The subheading would be: "Says Arabians and Venezuelans Are Justly Entitled to Higher Crude Prices."

However, on further thought our man becomes aware that that will not hold water. The papers, he says to himself, report that the government has restricted crude oil imports from abroad because there is too much domestic crude. If I raise prices, domestic crude oil production will increase in response to that. If the price is too low on crude for the Arabians and Venezuelans, it must be too low for American crude oil producers too. But that cannot be. Domestic producers of crude oil are yammering to produce more at the present prices. If I would raise prices, and if another government department keeps cheaper foreign oil from coming in, then domestic producers will get the benefit of my decree on the 40c a gallon. Therefore, it is not possible that we are exploiting the Arabians and the Venezuelans. They get as much, after allowing for transportation, as the rich Texans are getting.* The 40c price must be wrong. Unjust! Too high!

* * *

Well, if the price of $33\frac{1}{3}$ c is unjust, and if a higher price cannot be proven to be more just, then a just price must be lower than $33\frac{1}{3}$ c a gallon. The husband proposes to cut the price to 25c a gallon. Then, he says to himself, I shall get four gallons for \$1, instead of only three.

*The *Wall Street Journal* (May 16, 1958) had this news on page 1. "Crude oil production in Texas during June will be held to an eight-day schedule under an order issued by state regulatory authorities. This will be the third consecutive month in which the oil flow will be restricted to this record low in terms of producing days. Some crude oil purchasers had favored increased quotas and many in the industry had looked for June production of nine or ten days."

But as gasoline czar he needs to substantiate, in a society operating according to the social gospel, that the 25c a gallon price is more *just* than the 33 $\frac{1}{3}$ c price. How can he do that?

A drop in price from 33 $\frac{1}{3}$ c to 25c a gallon is an 8 $\frac{1}{3}$ c reduction per gallon, or in percentage a 25% reduction in the price. Somebody is certainly going to be in distress from that large reduction; the question is, *who* will be required to take the cut.

There are an almost endless number of people: (1) the retail service station operator, (2) the employes of that operator, (3) his landlord who owns the station and to whom he pays rent; or (4) the wholesaler from whom he buys, (5) the wholesaler's delivery men or office help, (6) his suppliers. If the service station operator buys directly from a big oil company or if the station is the property of a big oil company, then (7) the big oil company may have to take the cut, or (8) its employes, or (9) its suppliers, or (10) the farmers from whom the oil company obtains leases on a royalty basis, or (11) the railroad that transports oil.

In so far as various corporations take the cut, (12) the United States government will probably absorb half of it, because the income tax rate for corporations is 52% of profits before taxes.

Or the individuals who will have to absorb the 8 $\frac{1}{3}$ c cut may be (13) the plumbers who helped build refineries, or (14) sailors who work on tankers, or (15) retailers in business in oil towns, or (16) the people who manufacture tanks and pipes and who dig pipe lines, or (17) every government which draws taxes from the existence of property associated with the oil industry; and on and on almost endlessly.

Any man contemplating setting the price of gasoline at 25c when the prevailing market price is 33 $\frac{1}{3}$ c must be able to substantiate that there is behind the 33 $\frac{1}{3}$ c price an injustice of some sort, and he must be able to be specific about it, or else he is purely arbitrary. Otherwise, what is *just* is nothing more than his mere *ipse dixit*, his mere personal say-so. There is no proof whatsoever.

We come then to the conclusion that in regard to a just price for gasoline the only being who knows what a just price is for gasoline is the Lord God Almighty himself because He only

will know how to distribute justly the 8 $\frac{1}{8}$ c reduction in price among the millions of people who have participated in the production of the gasoline being sold. He can know whether the farmer is getting too much for his leases, the stockholders too much as dividends, the delivery men too much in wages, the contractors building refineries too much for construction, the steam fitters too much for their work, the service station operator too much in salary, etc., etc., etc. An omniscient mind is needed, a mind that *knows* all, the mind of God and of God only.

Let us assume that God concerns himself with a just price for gasoline in May 1958 in the United States of America in Chicago, Illinois. If so, has He told anybody? Whispered it in some union boss's ear, or some business tycoon's, or some bureaucrat's, or some preacher's or some sociology professor's? If He did not communicate in a special manner with these favored people, how can they know?

Or, where did they go to school to learn what a just price is? Who told the professors in the school what a just price is?

Or do some people have charismatic powers — that is, have they had bestowed on them a "gift or power bestowed by the Holy Spirit for use in the propagation of the truth, or the edification of the church" so that the church can proclaim to the world specifically what a just price is for gasoline, in Chicago, of a certain quality, in May 1958?

To ask the question is to have the answer; all the prattle about a just price is a playing with words. It is pious, sanctimonious meaninglessness. It is a lamentable atavism to the scholasticism of the Middle Ages. When the church talks of a just price it is absolutely certainly talking about something that does not exist, unless it means a price based on the Commandments of God, specifically, the Commandment, Thou shalt not kill.

A Just Price Depends On, Thou Shalt Not Kill

There is indeed a just price if it is based on the Sixth Commandment, but only if that condition is met. Others might base their definition of a just price on the Commandments, Thou shalt

not steal, Thou shalt not bear false witness, Thou shalt not covet. But those commandments are relatively unimportant in determining a just price.

The price of gasoline, in our illustration, was $33\frac{1}{3}$ c per gallon. We saw that it was essentially (ignoring usually temporary so-called "price wars") the prevailing price. All gasoline in a given community, if of uniform grade, would be selling at that price. Injustice in regard to the price would, therefore, have to be in regard to that generally prevailing price.

The commandments against theft and fraud would be operative to prevent injustice in specific cases, by theft or by fraud on the part of an individual dealer. These cases of injustice would be individual cases. But the question of a just price for gasoline is a question pertaining to the generally prevailing price charged by all dealers to everybody. Some of these dealers may be honored members of a church. Are they great sinners in regard to an "unjust price" when they sell gasoline at $33\frac{1}{3}$ c per gallon, the *prevailing price*?

It depends on whether the price was determined by coercion of anyone; or, in contrast to that, was determined by full freedom of all concerned. The price was just, if it was established by selfishness plus freedom; or if you wish, by egoism plus freedom. It was unjust if it was established by government decree, or by any coercion by a participant in the process of supplying or purchasing gasoline.

What is the alternative to freedom plus egoism? There is only one alternative, namely, coercion under the pretense of having enough knowledge to exercise altruism. These are the only possibilities: (1) the pretense or hallucination of loving the neighbor more than the self plus coercion to enforce it on others; or (2) the sincerity of self-interest, of egoism, of legitimate selfishness plus freedom *not only of yourself but of all others too*.

Egoism is monstrous if it is exercised without freedom of others to react defensively against it. Egoism is wonderful, if it is exercised in a framework of complete freedom of others to react defensively against it.

We revert to the Sixth Commandment. It forbids more than murder; it forbids violence; it goes even further and forbids coercion. Therefore, a man's egoism may induce him to pursue his self-interest, but it may never permit him to coerce his wishes on his neighbors. On this basis, there is perfect harmony between the Sixth Commandment and the Beatitude which reads, Blessed are the meek for they shall inherit the earth. Those who insist on avoiding coercion are the meek.

Let us reconsider the 33 $\frac{1}{3}$ c price for gasoline. Thousands, indeed millions of people participate in the process directly or indirectly, of supplying gasoline. Gasoline is in a sense woven into the whole life of America. What alone can make the price right, *just*? Only one thing, namely, that neither buyer nor seller at the various stages of the process, directly or indirectly in all its ramifications, coerces his will on anyone else.

Take the farmer who bargains for a big royalty on wells to be drilled and oil to be produced on his land. When is his take "just"? Only if he does not use coercion. He can always say *no*. It will be, or should be, a sovereign *no*. Nobody should have the power to compel him to accept what is offered to him. That act of coercion is wrong. Similarly, he should not be in a position to compel others to deal with him.

Freedom exists in proportion as there are a multiplicity of options available. The more buyers and sellers that there are the greater the range of freedom. If Oil Company X does not wish to pay more than 10c a barrel royalty, the farmer should be at liberty to reject it; maybe some other company may offer him more, and maybe not; to act or not to act and on what terms to act must be every individual's inalienable right.

The price resulting from that set of conditions is the just price. There is no other just price possible, except God impose it, because He is omniscient and knows what the wishes are of every man participating in the operation; that is, an omniscient mind makes the decision that would otherwise have been arrived at by *noncoercion* in a *free* market. But unless such an omniscient mind intervenes, any determination of price contrary to what it would be under the freedom just mentioned would be an unjust price.

But note what has happened under this situation of freedom. It all turns on a basic assumption, namely, that self-interest (egoism, selfishness or more accurately *self-decision*) controls the action of every participant. What a nasty mess the whole operation would be if everyone was not considering his own self-interest on which he does have information, but only the self-interest of others on which he has meager information or on which he is completely ignorant. Society becomes "rational" only if the participants act on the basis of what is known to them. We know our own needs, and to a lesser extent those of others very closely associated with us, but from there on our knowledge fades out rapidly.

And the alternative? There is only one. God obviously does not directly intervene in the pricing process on gasoline in Chicago (except in the general laws of nature and man) and so there is no omniscient mind setting the price. Therefore, if a free market plus egoism is considered to be a defective method to arrive at a just price, then the only alternative is the edicts of some authorized coercer who may think he is omniscient but who is not; or else, various power groups will exercise coercion to get for themselves what the free actions of their fellows would not give them. These alternatives all violate the Sixth Commandment, Thou shalt not

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coerce. As was said before, the Sixth Commandment legislates freedom. The exercise of that freedom should have that boundary which is set by what *can be known* by the puny mind of each individual participant.

Deny freedom as specified by the Sixth Commandment, and then what? Can any just price be established? It is an impossibility!

The demand for a *just* price should be changed to a demand for a *free* price, because it is the *free* aspect of price determination that makes a price just.

But are Christians willing to turn from *talk* about a just price to *action* based on the Sixth Commandment? Our experience has not made us optimistic on that.

(to be continued)

A friend recently criticized the title of this publication, PROGRESSIVE CALVINISM. He objects to the word *Calvinism*. He considers it sectarian and narrow. He says that what is written pertains to all Christianity. When we founded PROGRESSIVE CALVINISM we pondered the problem. Maybe we selected our restrictive name unwisely, but we do not know enough about *all* branches of Christianity.

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Purpose Of This Issue

The first subject extensively covered in PROGRESSIVE CALVINISM, because it was fundamental to our purposes, was "brotherly love"; see the February through May issues in Volume I, 1955. The approach then was authoritarian, that is, based on Scripture.

As readers know, we are, after three and one-half years, again analyzing brotherly love, but this time primarily *rationally*. We do not imply (in fact, we specifically deny) that there is nonagreement in the field of ethics between Scripture and reason. They tell an identical story, although their formulations are different.

Questions which need consideration are these: is there really a rational natural enmity between men because of sin or despite sin? Do the strong benefit themselves only at the expense of the weak? Does reason as well as Scripture teach us genuinely to cooperate with our neighbors? Are we induced to do that on the basis of the Commandments of God only, or does right reason urge upon us an identical policy?

In this publication not all subjects are viewed in the stereotyped forms of thought which have been handed down for generations in Reformed churches of Dutch origin. Some of those

stereotyped forms appear inappropriate in the light of modern science, especially the modern science of economics. Applying a little economics to Scripture results in a different understanding of scriptural thoughts, for the good — Scripture makes more sense, and authority and reason do not then conflict, there being no good reason why they should.

In this issue the special question considered is this: has the logic (common sense) of cooperation between men, innate in the character of creation, been in the slightest degree altered by Adam's sin. The answer is clearly no as it must be. Adam's sin which is thought by some to have corrupted everything, at least has not corrupted the logic in favor of cooperation among men.

The proof of this is as conclusive as anything in mathematics can be.

The Character Of Our Choices

(Continued from preceding issues)

In the May, 1958 issue of PROGRESSIVE CALVINISM we showed on page 153 a simple chart describing how a family of five which has just moved to Chicago might spend its income. That income was taken to be \$20 a day net; that is, after deductions for taxes and social security, the family still had \$20 a day to spend or invest. In the May and also in the June issue we considered the expenditure of the first \$12 a day out of the total \$20. We are herewith completing our article on "The Character Of Our Choices."

* * *

There is still \$8 left to spend or to invest. This \$8 can go for many items, such as: depreciation on car and household equipment, \$1.50; clothing, \$1.50; furniture, \$1.00; savings, 90 cents; medical and dental supplies and services, 75 cents; personal prop-

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erty taxes, 15 cents; insurance, 50 cents; auto maintenance, 40 cents; telephone, 40 cents; musical education, 35 cents; linens, 30 cents; cigarettes, 30 cents; dishes, 25 cents; entertainment, 25 cents; kitchen utensils, 20 cents; electricity, 20 cents; magazines, 20 cents; toys, 15 cents; gas (for heating and cooking), 15 cents; haircuts and beauty shop, 15 cents; towels, 10 cents; soap and toilet articles, 10 cents; paper and postage, six cents; water, five cents. These and other requirements sop up the remaining \$8 *and more*.

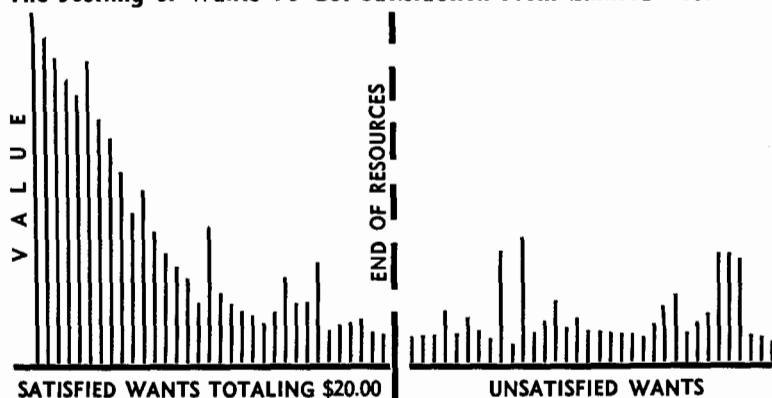
We have imagined that these or similar items have been added to our chart and that it looks as it appears at the bottom of this page.

The first item above, viz., "depreciation," is not (as accountants would say) a "cash" item. Nevertheless major pieces of equipment owned by the family depreciate every day and sooner or later large replacement expenditures must be made in one day. In order to have a right perspective on such expenditures, therefore, it is necessary to "write off" some value every day and, figuratively speaking, to set aside the money so that when the day comes when the item must be replaced (maybe at a cost of several hundred dollars or even several thousand dollars, as for a car) the funds are then available.

The amounts that we have placed behind the various items are merely illustrative. But when these amounts and similar amounts for other items are considered then the husband finds

CHART I

The Jostling of Wants To Get Satisfaction From Limited Resources



himself eventually in a position that there are some items which are beyond his income; the \$20 has already been spent or allocated! There is only one proper solution to the problem and that is to forego the less-important items which are wanted or else to remove some item higher up on the list entirely or to reduce it in amount. In Chart I we are showing on the right hand side of the broken line that there are a whole series of items outside of our \$20 limit which are clamoring to be satisfied. This is the *welfare-shortage*.

In a sense our family is subject to *coercion*, but not by men; the "coercion" exists in the relationship of their wants to the supply. The "coercion" in other words consists in the jostling of wants with the total that is available, and the jostling of the individual wants with each other. Life can be described as the selection of certain satisfactions at the expense of other satisfactions which must be foregone. The situation will be, in essence, the same whether a man earns \$20 a day or \$30 a day. There will still be the unlimited wants above the limit of \$30.

One of the surprising things to note is how a family's apparent needs expand when income goes up. There seems to be as much of a dearth for money when the earnings are at \$15 a day as when they are at \$10; or at \$30 as when they are at \$25. Anyone who has self-knowledge appreciates that there is pressure to enlarge consumption as rapidly as income increases.

If a *man* does not expand his apparent wants as rapidly as his income increases, there is the probability that his wife's apparent wants will expand, or his children's. If he was reared in poverty, but is now rich, he will make it far easier for his children than he had it himself when he was a child. If he failed to get a good education, he may send his children to expensive private schools. His wife will urge that he move to a better neighborhood where the daughters have a chance of a better marriage. He will join clubs, go on expensive vacations, entertain, etc.

Once a man has those things, he will consider the circumstances terrible if he must give up some of them. A large element in this situation will be his pride. If he has been driving an expensive car he will feel "ashamed" to buy a cheaper car. If he has

lived in a large house in a fashionable residential area, he will be unhappy if he must move to a modest house in a modest area.

The flexibility of our subjective wants makes it impossible to determine what is "luxury" and what is a "living wage." These terms are subjective. A living wage for a European or an American is evaluated altogether different [higher] than a living wage for a Hindu, who may not get much more than a handful of rice in reward for a day's labor, and whose employer will measure out the rice by individual kernels, picking some off one by one with a tweezers if the scale is overbalanced.

Some people keep their consumption below their income, no matter what their income is. These are the people who set aside some of their earnings for savings or investments. The people who save *and invest* buy land, or houses, or stores, or shares in corporations with their savings. These savings are therefore "spent" just as much as funds are spent for consumption goods. The savers who invest sometimes feel as hard pressed for funds to invest as someone who is a nonsaver feels hard pressed for funds to spend on consumption. The saver who wishes to invest thinks he sees all kinds of opportunities for good investment and he laments that he does not have enough savings. For the savers, therefore, there are also to the right of our broken line many investment opportunities which they must forego. There is shortage against what these individuals really want.

There are in our chart no *absolute* values whatever. Nothing here has an intrinsic economic value. *Values* depend upon the person's subjective rankings of his wants compared to the specific circumstances in which he finds himself. If a man is on a camping trip in the mountains and camps next to a good stream of water, he does not think in terms of an expenditure for water, but if he is a rancher in a semi-arid territory he is willing to pay a good price for water. Water at one time has a value of zero, and at another time a price per gallon. Value is subjective, variable, not absolute, a mere rank and not an absolute entity.

What it costs to produce something does not give it *value*. Value is not something which is derived from production. Value depends upon what need is to be satisfied, how intense the need is felt to be, and how scarce the product is which is required to

satisfy the want. If there is no need and no scarcity, all the labor in the world will not give a product value, and men will treat the item as a *free good*. Any free good is like the air in the great outside; we do not economize on air, we do not pay for it, we do not work for it. But if a house or building is to be air conditioned then we in effect pay for the air in the house in the form of heating equipment or air conditioning equipment. The warm and cool air is "valuable" not because it is the result of labor, but because it is wanted and is scarce.

Who is to decide, in the case of our Chart I, what items are to be kept to the left of our broken line and what items are to be placed to the right of the broken line? This is the fundamental question of *liberty*. If a man can determine that himself, he is free. If someone else determines what items are to be kept in the expenditure to the left of the broken line, then the person is a minor or a slave. At any rate, he is not free.

A free life largely consists of deciding what to include in expenditures and what to exclude. Further, how much the individual expenditures will be. One person may spend more for clothes: another more for food; another more for amusement. The difference between individualism and collectivism, between freedom and tyranny, is the freedom to make the choices yourself versus having someone else specify what they should be.

The Socialists-Communists say that they know better how a man should spend his \$20 than he does himself, and furthermore they also say that the amount should be equalized between all men. The Individualists say that each man should make his own choices, except he may not injure his neighbor, and that if he works more he can have more for himself; he is not obligated to produce according to his ability and to distribute to others according to their need.

The most important ideas in regard to our choices can be summarized as follows:

1. That we cannot really know what the preferences and needs of other people are; therefore we should not impose on others our ideas on how they should choose.
2. There is always a *welfareshortage*; there are always wants beyond our income which cannot be satisfied with what is available.

3. Circumstances for individuals vary from circumstances for other individuals, and, also vary in the same individuals at different times, and consequently it is impossible that a maximum satisfaction may be obtained from given resources unless every individual has freedom to maximize the satisfaction of his wants *according to his own decisions* rather than according to the decisions of another.

It is arrogance, it is an unbrotherly attitude and it is foolish for me to undertake to tell you how to spend your \$20 a day. It is equally arrogant, unbrotherly and foolish for you to undertake to tell me how to spend my \$20 a day. It is equally arrogant, unbrotherly and foolish for a group of people to tell you or me how we must spend our \$20 a day. When one man undertakes to determine that for another, you have tyranny; and when a group undertakes to do that, you have the same tyranny under the name of socialism.

Of course, socialism is a relative term. A group may still permit the individual members a certain amount of freedom, but may tax away a large percentage in order to take from one and to give to another. Such heavy taxation is a modified and disguised form of collectivism. A man, for example, whose federal and state income taxes are more than 80% of his income may well wonder sometimes whether he lives in a free society or in a collectivist society. The thought of the many who impose the tax may be that they are exploiting the one for the benefit of the many, but it is not difficult to substantiate that they are in error and that they are indeed really hurting themselves. They are the eventual victims of their own covetousness. Until that is understood, covetousness will stand uncondemned and may even be praised in the churches themselves.

Collective sins are no more profitable than private sins.

Violence or coercion by a group against an individual is no more profitable than to permit individual coercion and violence among the members of a society. Both are contrary to the Commandments of God which legislate liberty more than any Constitution men have ever drawn up.

David Ricardo, The Man

Later in this issue there is a simplified explanation of David Ricardo's famous "Law of Association," better known as the "Law of Comparative Cost."

It will be interesting to know something about the man before we present one of his ideas. The information we are presenting is taken from one of the delightful essays by Walter Bagehot (1826-1877), in *Bagehot's Works* (Volume V, The Travelers Insurance Company, Hartford, 1889, pp. 402-411).

We first quote the last paragraph of Bagehot's article:

Very little is now to be learnt of Ricardo's ordinary life: we know that he had a mind

"Keen, intense, and frugal,
Apt for all affairs,"

and we know little else. A well-authenticated tradition says that he was most apt and ready in the minutest numerical calculations. This might be gathered from his works; and indeed, any one must be thus apt and ready who thrives on the Stock Exchange. A less authorized story says that he was a careful saver of small sums,—"one of those people who would borrow a pamphlet, price sixpence, instead of buying it," notwithstanding that he was a rich man. We also know, as has been said, that he was very happy in orally explaining his doctrines, and they are by no means easy to explain in that way. He must have been most industrious, for he died at fifty-two; and either the thinking which he did or the fortune which he made would be generally esteemed, even by laborious men, a sufficient result for so short a life.

So much for the last paragraph in the article. Other parts of Bagehot's article on Ricardo are as follows:

The true founder of abstract political economy is Ricardo; and yet [one would have thought that] there was no one less likely to be the founder,—he was a practical man of business, who had little education, who was for much of his life closely occupied in a singularly

absorbing trade, and who made a fortune in that trade. Just as no one would have expected from Adam Smith, the bookish student, the practical sagacity with which every page of the "Wealth of Nations" overflows, so no one would have expected from Ricardo, who made a large fortune, the foundation of a science of abstractions; . . .

* * *

. . . the trade in which Ricardo spent his life, and in which he was so successful, was of all trades the most abstract. Perhaps some people may smile when they hear that his money was made on the Stock Exchange, which they believe to be a scene of gambling; but there is no place where the calculations are so fine, or where they are employed on data so impalpable and so little "immersed in matter." There is a story that some dealer made very many thousand pounds by continued dealings in the shares of some railway, and then on a sudden asked where that railway was: the whole thing had been a series of algebraic quantities to him, which called up no picture, but which affected a profit-and-loss account. In most kinds of business there is an appeal of some sort to the senses: there are goods in ships, or machines; even in banking there is much physical money to be counted: but the Stock Exchange deals in the "debts" — that is, the "promises" — of nations, and in the "shares" of undertakings whose value depends on certain future dividends, — that is, on certain expectations. and what those expectations are to be is a matter of nice calculation from the past. . . .

* * *

For this trade Ricardo had the best of all preparations, the preparation of race: he was a Jew by descent (his father was one by religion), and for ages the Jews have shown a marked excellence in what may be called the "commerce of imperceptibles." They have no particular superiority in the ordinary branches of trade; an Englishman is quite their equal in dealing with ordinary merchandise, in machine making or manufacturing: but the Jews excel on every Bourse in Europe; they — and

Christian descendants of their blood — have a pre-eminence there wholly out of proportion to their numbers or even to their wealth. . . .

Bagehot then goes on to explain how Ricardo came to be a pamphleteer and eventually a systematic writer. Two of the great and important subjects which agitated Englishmen in Ricardo's time were *money* and *foreign trade*. Bagehot writes:

The peculiar circumstances of his time also conducted Ricardo to the task for which his mind was most fit. He did not go to political economy; political economy, so to say, came to him. He lived in the "City"* at a time when there was an incessant economical discussion there: he was born in 1772, and had been some years in business in 1797, the year of the celebrated "Bank restriction," which "restricted" the Bank of England from paying its notes in coin, and which established for the next twenty years in England an inconvertible** paper currency. As to this — as to the nature of its effect, and even as to whether it had an effect — there was an enormous amount of controversy; Ricardo could not have helped hearing of it, and after some years took an eager part in it. Probably if he had not been led in this way to write pamphlets, he would never have written anything at all, or have got the habit of consecutive dealing with difficult topics, which is rarely gained without writing, — he had only a common-school education, and no special training in such things; but it is the nature of an inconvertible currency to throw the dealings between other countries and the country which has it into confusion, and to change the price of all its securities.

The United States at the present time also has "an inconvertible paper currency" as did England for twenty years beginning in 1797. Inconvertible paper currency is, as we have explained in earlier issues, calamitous for the welfare of a country. *Fiduciary media* is inconvertible at present. The ultimate effects of an

*Our footnote: The City of London, a small part of greater London. Financial operations are concentrated in the "City."

**Our footnote: As the United States most unfortunately has had since 1934.

inconvertible currency is more and more inflationism. Unless the United States discards its present monetary system consisting of inconvertible paper currency (as did England after twenty years), it will greatly injure its prosperity. Note what Bagehot says in the foregoing about the nature of an inconvertible currency, namely, that it throws "the dealings between other countries and the country which has it into confusion, and [changes] the price of all its securities." That is why foreign trade has been so disturbed for the latest 25 years.

In addition to the *money* question there was also the question of *free trade* or *foreign trade*. On this Bagehot writes the following:

Having been thus stimulated to write pamphlets on the one great economical subject of his day [inconvertible money], Ricardo was naturally led to write them also on the other great one [free trade or tariff barriers]. At the close of the war the English Parliament was afraid that corn would be too cheap: the war had made it dear, and probably when peace came it would cease to be dear; and therefore in its wisdom Parliament passed "Corn Laws" to keep it dear. And it would have been difficult for a keen arguer and clear thinker like Ricardo to abstain from proving that Parliament was wrong; and accordingly he wrote some essays which would be called "dry and difficult" now, but which were then read very extensively and had much influence.

* * *

For the thirty years succeeding the peace of 1815, England was always uncomfortable: trade was bad, employment scarce, and all our industry depressed, fluctuating, and out of heart. . . . While the economical condition of countries is bad, men care for political economy, which may tell us how it is to be improved; when that condition is improved, political economy ceases to have the same popular interest, for it can no longer prescribe anything which helps the people's life. In no age of England, either before or since, could a practical man of business like Ricardo have had so many and such strong influences

combining to lead him towards political economy, as in Ricardo's own time.

And there was at that time a philosophical fashion which was peculiarly adapted to make him think that the abstract mode of treating the subject which was most suitable to his genius was the right mode. It was the age of "philosophical Radicalism," — a school of philosophy which held that the whole theory of political government could be deduced from a few simple axioms of human nature; it assumed certain maxims as to every one's interest, and as to every one always following his interest, and from thence deduced the universal superiority of one particular form of government over all others. "Euclid" was its one type of scientific thought; and it believed that type to be — if not always, at least very often — attainable. From a short series of axioms and definitions it believed that a large part of human things — far more than is really possible — could be deduced. The most known to posterity of this school (and probably its founder) was Mr. Bentham, for the special value of his works on jurisprudence has caused his name to survive the general mode of political thinking which he was so powerful in introducing; but a member of the sect almost equally influential in his own time was Mr. James Mill, of whom his son [John Stuart Mill] has given us such a graphic picture in his biography.

* * *

To a genius like Ricardo, with Ricardo's time and circumstances, the doctrines of James Mill must have come like fire to fuel; they must have stimulated the innate desire to deduce in systematic connection, from the fewest possible principles, the truths which he had long been considering disconnectedly. If Ricardo had never seen James Mill, he would probably have written many special pamphlets of great value on passing economical problems, but he would probably not have written *On the Principles of Political Economy and Taxation*,* and thus

*Our footnote: The title of Ricardo's most important work.

founded an abstract science; it takes a great effort to breathe for long together the "thin air" of abstract reasoning.

* * *

Little is known of Ricardo's life, and of that little only one thing is worth mentioning in a sketch like this, — that he went into Parliament. He had retired with a large fortune from business comparatively young, — not much over forty, as far as I can make out, — and the currency and other favorite economical subjects of his were so much under discussion in Parliament that he was induced to enter it. At present an abstract philosopher, however wealthy, does not often enter Parliament: there is a most toilsome, and to him probably disagreeable, labor to be first undergone, — the canvassing [of] a popular constituency; but fifty years ago this was not essential. Ricardo entered Parliament for Portarlington, which is now the smallest borough in Ireland, or indeed in the whole United Kingdom . . . ; and no doubt Ricardo bought his seat of the proprietor. He was well received in the House, and spoke with clearness and effect on his own subjects. He is said to have had in conversation a very happy power of lucid explanation, and he was able to use the same power in a continuous speech to an assembly.

* * *

The country has been far happier under the new system than under the old, and the improvement has been greatly due to the change: we could not have had Free Trade before 1832, and it is Free Trade which, more than any other single cause, makes us so happy [that is, prosperous].

Ricardo worked out his ideas on his Law of Association in connection with foreign trade. Men generally were opposed to free trade either from selfishness or ignorance. They hated foreigners or they feared them. Men were afraid of cheap merchandise from abroad or they wished to injure the foreigner. Fear and hate underlie opposition to free trade.

But what Ricardo worked out in his mind in regard to foreign trade is only a "specific case"; it is equally true of *all* trade, that is, of *every* exchange between human beings, whether they are citizens of a different country or whether they are next door neighbors. What Ricardo worked out mathematically in regard to foreign trade is equally applicable to every transaction throughout the world including every wholly domestic transaction.

The other name for Ricardo's law is the Law of Comparative Cost; that name indicates that trade should and will exist between nations whenever thereby society's costs are reduced, and consequently human welfare improved according to the law of brotherly love. The Law of Comparative Cost and its relation to the law of brotherly love can be stated as follows:

1. If two individuals wish to produce two products, then the costs can usually be reduced (for one reason or another) by one man producing all of one product and the other man producing all of the other product; that is, costs can be reduced by a *division of labor*; the potential benefit from division of labor is known to practically everybody.
2. The two tasks should be distributed between the two men so that if one man has an advantage in low costs, then he should do that job and the other man the other job.
3. For the stronger, wiser and more competent man to refuse to exchange with a weaker, less wise and less competent man will hurt the former as well as the latter. The willingness of the strong to work with the weak and of the weak with the strong is *advantageous to both*.

Therefore, one of the ways to manifest brotherly love is to operate according to Ricardo's Law of Association or of Comparative Cost; or ethically stated, men should cooperate with each other according to the scriptural law of brotherly love.

Ricardo's Law of Association is really the law of brotherly love expressed in the terms of economics and mathematics. Whoever learns to understand that will learn something which will have a revolutionary effect on all of his thinking. Scripture will again become his relied-upon ethical guide.

Ricardo's Law Of Association

(Or, An Analysis Of The Imagined
Danger To The Weak From The Strong)

Karl Marx declares that freedom is a fatal danger to the weak, and that consequently freedom is intrinsically not good.

Marx taught that there should be altruism and not egoism, that is, each man should work according to his ability in order to distribute to each according to his need. In Marx's estimation egoism (that is, using other words, selfishness, self-interest, self-love, pursuit of the self-regarding interests, self-protection, making your own choices) is not the sound way to organize society. If egoism rather than altruism is the principle of action, then the weak will perish and the strong alone will survive. One of Marx's cardinal doctrines was that the rich grow richer and the poor grow poorer, or in other language, that the strong grow stronger and the weak grow weaker.

What is the position of the weak in an egoistic society, assuming that the Law of God (the Decalogue) is enforced, but that everybody is perfectly egoistic, that is, looking out for himself. Let us assume that there is no altruism in society except the limited Biblical charity which consists in helping people get back on their feet who are afflicted by unfortunate circumstances or who really cannot take care of themselves; aside from that, we are in what follows assuming a "heartless and selfish" society.

However, in this society, because the law of God is enforced, there is no coercion, fraud or theft. Beyond that assumption, everybody *impersonally* goes his way and refuses to act in a manner which is not good *for himself*. Can that possibly be called *brotherly love*?

In order to answer that important question, we shall take a simple case; we shall imagine a primitive society consisting of two men and their families. Secondly, each man needs a shelter for his family. Thirdly, one of the men is bigger, stronger, wiser, *superior in everything* to the other one. The first man we shall call Mr. Strongman and the second Mr. Feebler.

The case between the two of them is pitiable in imbalance. God made the two men disproportionately unequal. Strongman has every advantage and Feebler has no chance whatever to pro-

duce so much or to do it so well in the same period of time. Everything that Strongman sets out to do he can do better than Feebler. However, there is in this imagined primitive society a definite restraint on both Strongman and Feebler which we have previously mentioned, namely, neither one of them may engage in coercion, fraud or theft. Beyond that they are free to be selfish.

Under these circumstances it might be expected that Strongman will have nothing to do with Feebler. Why should he bother with a weaker, less competent brother. If they both need shelter for their families, Strongman can do everything necessary to build his shelter quicker and better than Feebler. Therefore, our first conclusion is that there will be no communication between them and Strongman will permit Feebler to struggle along under his disadvantages. Strongman will steadily increase his standard of living but he will do nothing to help Feebler. According to our assumptions Strongman does not "love" Feebler in the sense of undertaking to help Feebler. Our primitive society is pure egoism without the slightest taint of altruism, or as the term "brotherly love" is confusedly and mistakenly used, without the slightest taint of brotherly love.

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

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

Not only are the men unequal, they are what is far more important, *unequally unequal*. Under our assumptions, Feebler is only *one-fourth* as good as Strongman at sawing, but *two-thirds* as good at pounding nails. Attention is strongly directed to the fact that, although Feebler is inferior in both operations, his inferiority is unequal in the two cases.

What will it require of Strongman to build his shelter? This is easily computed. If he must saw 2,000 logs or boards at the

rate of 100 an hour, it will take 20 hours of sawing. Similarly, if he must pound 9,000 nails at the rate of 300 an hour, that will require 30 hours. The 20 hours of sawing and the 30 hours of pounding make a total of 50 hours.

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

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

Table 1

Two Unequally Unequal Men Working Separately

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

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

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

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

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

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

Table 2

Two Unequally Unequal Men Working Together

4,000 logs at 100 logs an hour = 40 hours labor for Strongman

18,000 nails at 200 nails an hour = 90 hours labor for Feebler

The Two together = 130 hours

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

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

There has always appeared to us a certain charm in the benefits of brotherly love when you are looking out for yourself *without violating* the law of God. Here we have the simplest possible case:

1. Two men, wholly unequal, one stronger in everything;
2. Pure selfishness or self interest and not an iota of altruism or "brotherly love" on the part of either of them; and
3. The simple law of God prohibiting coercion, fraud or theft.

In short, we have here nothing except self-love and the law of Moses, and the result is spectacular. A saving of time and effort from 175 hours to 130 hours, or more than 25%. Of that total

saving, according to our specific assumptions, Strongman saved 10 hours or 20%. Feebler on his part saved 35 hours or 28%. The savings are summarized in Table 3.

Table 3

**Savings From Ricardo's Law Of Association
or
Savings From Scriptural Law Of Brotherly Love**

	<i>I n</i> <u>Building</u> <u>Alone</u>	<i>H o u r s</i> <u>Cooperating</u> <u>With The Other</u>	<u>Saving</u>	<i>I n %</i> <u>Saving</u>
Strongman	50	40	10	20%
Feebler	125	90	35	28%
Total	175	130	45	25%

It make take a little explanation by Strongman to make all the foregoing clear to Feebler, but once Feebler understands that he can have the same shelter for only 90 hours' work compared with 125 hours of work when working on his own, he will accept Strongman's proposal to let Strongman do all the sawing and let himself (Feebler) do all the nail pounding. Strongman in his strength will not need to coerce cooperation on Feebler; Feebler will be glad to cooperate.

If the religious people in the world would undertake to understand the foregoing simple illustration, and if they then had the imagination to see that what is true in this simple case is equally true in the most complex society, then they would no longer feel constrained to think that the Christian law of brotherly love consists only in pure altruism. They would then understand that the pursuit by each man of his own interests without violating God's law inevitably results in society becoming a cooperative organism with every man helping the other man.

We have previously made clear that mortal men are intellectually incompetent to appraise the needs of their fellows and that they can know only their own needs, but (1) the knowledge of their own needs plus (2) the law of God plus (3) the benefits from savings that are obtained from cooperation gives a wonderful result for everybody.

When the book of Proverbs and other books in the Bible declare that there is a reward in keeping the law of God, then that statement is definitely related to the significant benefits of Ricardo's Law of Association, or his Law of Comparative Cost,* or what Scripture really means by brotherly love — namely freedom plus certain Biblical prohibitions.

Some reader may say that he mistrusts the calculations and that he would like to change the assumptions. Suppose he says that the two shelters require 9,000 nails and 4,000 logs each. Now what happens? The answer to that question is worked out simply in Tables 4, 5 and 6.

Table 4

Two Unequally Unequal Men Working Separately

Strongman		Feebler	
4,000 logs	at 100 an hr. = 40 hrs.	4,000 logs	at 25 an hr. = 160 hrs.
9,000 nails	at 300 an hr. = 30 hrs.	9,000 nails	at 200 an hr. = 45 hrs.
Total		Total	
70 hrs.		205 hrs.	

The two together $(70 + 205) = 275$

Table 5

Two Unequally Unequal Men Working Together

8,000 logs at 100 logs an hour = 80 hours labor for Strongman
 18,000 nails at 200 nails an hour = 90 hours labor for Feebler
 The two together = 170 hours

Table 6

Savings From Ricardo's Law Of Association
 or
 Savings From Scriptural Law Of Brotherly Love

	I n H o u r s			I n %
	<u>Building Alone</u>	<u>Cooperating With The Other</u>	<u>Saving</u>	<u>Saving</u>
Strongman	70	80	- 10	- 14%
Feebler	205	90	115	56%
Total	275	170	105	38%

It now appears that there is a saving from 275 hours down to 170 hours in total, or 38%. This is a bigger saving than the earlier one of only 25%. Nevertheless, this saving will not be ac-

*This is the law where, by division of labor and comparison of costs, it is possible to *reduce* costs — by cooperation or association.

complished. The reason is that Strongman loses by the cooperation. Originally he saved 10 hours by cooperating, but under the new assumptions, he loses 10 hours. Building his own house all by himself will require only 70 hours of work, but if he divides the job as assumed in Table 5, then he must work 80 hours.

Feebler on the other hand would make a preposterous gain. Whereas when working alone he would have to work 205 hours, he now needs to work only 90 hours. He saves 115 hours or 56%. Cooperation now loses mutuality. Strongman refuses to cooperate, simply because he is logically selfish and the transaction causes him a loss. He refuses to be an altruist. He is to be commended for his selfishness.

What will these two men now do? Abandon cooperation?

Of course not. Strongman will look at Feebler and he will say, "It is not fair for me to do all the sawing. If the two of us are to cooperate you will have to pound *all* the nails, but you will have to do *some* of the sawing. I suggest to you that we do the following; in addition to your pounding all the nails, you have to saw 2,000 of the logs." When Strongman and Feebler figure that out they come to the results which appear in Table 7.

Table 7

Two Unequally Unequal Men Working Together

6,000 logs at 100 logs an hour = 60 hours for Strongman

2,000 logs at 25 logs an hour = 80 hours for Feebler

18,000 nails at 200 nails an hour = 90 hours for Feebler

Feebler's total = 170 hours

The two together (60 + 170) = 230

Now our cooperation again possesses mutuality and the saving of the two men is as shown in Table 8.

Table 8

Savings From Ricardo's Law Of Association

or

Savings From Scriptural Law Of Brotherly Love

	<i>I n H o u r s</i>			<i>I n %</i>
	<u>Building Alone</u>	<u>Cooperating With The Other</u>	<u>Saving</u>	<u>Saving</u>
Strongman	70	60	10	14%
Feebler	205	170	35	17%
Total	275	230	45	16%

The *exact* determination of tasks according to the laws governing free markets, as for example worked out with unrivaled skill by Eugen von Böhm-Bawerk, the famous Austrian economist, is outside of the scope of this issue, but the fundamental point which should be noted is this: under the simple assumptions we made, the *selfish* law of brotherly love gives enormous benefits. It is the only kind of law of brotherly love which is workable. The law of brotherly love as explained, is, we believe, essential to what is meant by brotherly love in Scripture.

It should now be clear that the proposition of Karl Marx that freedom is a bad thing for the weaker and good only for the stronger is *false*. Furthermore, when Marx declares that under the freedom of capitalism the rich become richer and the poor become poorer he is equally *in error*. Under free capitalism the rich become richer and the poor become richer. Both benefit.

* * *

A more complete and generalized explanation of what is meant by Ricardo's Law of Association is presented in Ludwig von Mises's *Human Action*, (Yale University Press, New Haven, 1949) pp. 157-176, but especially 158-163.

On page 168 Mises writes:

But even if such a thing as a natural and inborn hatred between various races [or all men] existed, it would not render social cooperation futile and would not invalidate Ricardo's theory of association. Social cooperation has nothing to do with personal love or with a general commandment to love one another. People do not cooperate under the division of labor because they love or should love one another. They cooperate because this best serves their own interests. Neither love nor charity nor any sympathetic sentiments but rightly understood selfishness is what originally impelled man to adjust himself to the requirements of society, to respect the rights and freedoms of his fellow men and to substitute peaceful collaboration for enmity and conflict.

It should be noted that Mises here uses the word *love* in the popular sense of a sentiment. He denies that it is the *sentiment*

of love that holds society together, a statement with which every good Calvinist believing in Total Depravity must agree. The Synod of the Christian Reformed church undoubtedly also agreed, because it said that the "general operations" of the Holy Spirit are necessary, which obviously is something different from sentimental love.

However, the limitation which Mises here indicates exists regarding sentimental love, as a factor which might hold society together, does not apply to the term love as used in PROGRESSIVE CALVINISM (see the February through May issues of PROGRESSIVE CALVINISM in 1955). Our definition of love has systematically avoided a sentimental and has employed instead a strictly Biblical definition that is, a *purposeful* or *rational* definition of love. If that definition is employed, then Ricardo's Law of Association is indeed an essential ingredient of the Biblical Law of Love; however, it is not the whole Biblical Law of Love, as has been repeatedly indicated.

What Holds Society Together?

*(An Analysis Of The Answer Of The
Christian Reformed Church Compared With A
Simple Answer)*

What holds society together? The Christian Reformed church says that it is *Common Grace*; in PROGRESSIVE CALVINISM we say that it is the Ricardian Law of Association together with what underlies that Law.

The answer to what holds society together is very important for Calvinism which teaches the doctrine of Total Depravity. If men are totally depraved, how is it possible for any society of men to exist?

In the 1924 Synod of the Christian Reformed denomination Three Points regarding so-called Common Grace were adopted. In the second point synod declared what the bond is which holds society together. Point 2 reads as follows:

Concerning the second point, touching the restraint of sin in the life of the individual and in society, the Synod declares that according to Scripture and Confes-

sion, there is such a restraint of sin. This is evident from the quoted Scripture passages* and from the Belgic Confession, Art. 13 and 36, where it is taught that God through the general operations of His Spirit, without renewing the heart, restrains sin in its unhindered breaking forth, as a result of which human society has remained possible; while it is evident from the quoted declarations of Reformed writers of the period of florescence of Reformed theology, that our Reformed fathers from of old have championed this view.

Simplifying the foregoing, we get this shorter proposition which contains the essence of what is being declared:

. . . God through the general operations of His Spirit restrains sin in its unhindered breaking forth, as a result of which human society has remained possible; . . .

In still shorter form, Point 2 says that the "general operations of [the Holy] Spirit" have made the maintenance of "human society . . . possible."

*These Scripture passages are:

Genesis 6:3: And Jehovah said, My Spirit shall not strive with man for ever, for that he also is flesh: yet shall his days be a hundred and twenty years.

Psalms 81:11, 12: But my people hearkened not to my voice; And Israel would none of me. So I let them go after the stubbornness of their heart, That they might walk in their own counsels.

Acts 7:42: But God turned, and gave them up to serve the host of heaven; as it is written in the book of the prophets, Did ye offer unto me slain beasts and sacrifices Forty years in the wilderness, O house of Israel?

Romans 1:24, 26, 28: Wherefore God gave them up in the lusts of their hearts unto uncleanness, that their bodies should be dishonored among themselves:

For this cause God gave them up unto vile passions: for their women changed the natural use into that which is against nature:

And even as they refused to have God in *their* knowledge, God gave them up unto a reprobate mind, to do those things which are not fitting;

II Thessalonians 2:6, 7: And now ye know that which restraineth, to the end that he may be revealed in his own season. For the mystery of lawlessness doth already work: only *there is* one that restraineth now, until he be taken out of the way.

From a practical standpoint few propositions can be more important than this one. Further, the critical words in this proposition are "general operations." What is the specific meaning of that term? Everything depends on that; especially, what does "general" mean?

In order to elucidate that, the synod had recourse to three proofs: (1) certain Biblical texts, (2) two Articles from the *Belgic Confession*, Articles 13 and 36; and (3) deliverances of writers in the time of the "florescence of Reformed theology." We are here considering only the first two, evaluating the third as being of trifling consequence.

The Texts As Proof, Or Inferring A Positive From A Negative

The texts quoted in the footnotes (to which the reader is referred) do not help significantly to answer the problem. They appear to teach the opposite from what the Point declares. They teach that God shortens lives or abandons the people and the societies referred to, rather than that he "restrains sin."

By *indirection*, an *inference* can be drawn from the texts, and that obviously is being done, namely, the inference that except in these exceptional(?) cases cited in the text God through His Spirit is holding sinners and society back from sin.

What has been done here, it is evident, is that a conclusion has been stated which does not *necessarily* follow from the premise; a positive is assumed to be established by a negative, which, as everyone knows, is an unsatisfactory method of reasoning because the conclusion may be invalid. If the conclusion is correct, it is not because the reasoning is sound.

It should be especially noted that there is nothing presented in the texts which explains how the "general operations" of the Holy Spirit maintain society, and keep it from falling apart. There is no *enlightenment* of what the "general operations" are.

So much for the texts.

The Belgic Confession On The "General Operations" Of The Holy Spirit

Two articles from the Belgic Confession are referred to in Point 2 in substantiation that the "general operations" of the Holy

Spirit maintain society, and these articles do supply information which is positive in character. The Articles are too long to be quoted, but their contents will be summarized.

Article 13 of the Belgic Confession has the title, "Of Divine Providence" and Article 36, "Of Magistrates" (see *The Psalter* of the Christian Reformed Church, Wm. B. Eerdmans Publishing Co., Grand Rapids, 1927). On that basis, the "general operations of [the Holy] Spirit" consist of the two subjects mentioned, namely, *Providence* and the *State*.

Providence as Common Grace: Article 13 teaches that "providence" (which is a gravely ambiguous term) is God's will, exercised through what must be "laws"; such laws must exist because God, according to this article, did not give His creation "up to fortune or chance." Further, the article declares that God is not responsible for that which is bad in this world, although He "rules and governs" all things; further, that although what happens to us may not be understandable, we should have "unspeakable consolation"; and finally there is a declaration of *special protection to believers only*, where the article says that God restrains "the devil and all *our* enemies." (We have put *our* in italics. In regard to the phrase quoted, it cannot refer to *common* grace for everybody, because it refers *only* to believers, a restriction that is obviously contrary to the general tenor of Point 2.)

In this article, therefore, there is reference to the opposite of "fortune and chance," namely, to providence (as the title of the article indicates); or to common grace, if one prefers the neologism of the synod of the Christian Reformed Church.

It should be noted that Article 13 of the Belgic Confession is a *declaration* but not an explanation or substantiation of an idea. Indeed, *how* does God govern the world by providence and hold it together so that "human society has remained possible"? By physical laws, by moral law, by direct action of God (miracles)?

If the idea is that physical laws help hold the world together, then that is the same as saying that creation and natural laws (gravity, rain, sunshine) are common grace. The term, common grace, in this sense is a violation of Occam's Law of Parsimony, (that there should not be a superfluous multiplication of ideas and

words) and it can and should be cut out of existence by Occam's Razor,* for common grace here is merely providence.

However, what is here done to common grace applies equally to the term, providence. If providence is merely natural law, why not also scythe providence out of existence, too, and keep matters understandable to modern scientific men, by referring to natural laws or physical laws? Why pile the term *common grace* on top of the term *providence*, and providence on top of the term *natural law*, and the *general operations* of the Holy Spirit on top of that? This multiplication of words is a hindrance to clear thinking.

The fact must be this: one is dealing here either with a *law* which by definition is regular (not "fortune or chance" as Article 13 has it), or one is here dealing with an indeterminable variable. To us it appears that the article refers to a regular law. But if it refers to a variable, then it is not *common* to everybody and then it is not common grace. If then Point 2 of the Synod of 1924 and if Article 13 of the Belgic Confession teach *common grace*, then they teach *invariable* law, because common here, by definition, excludes whatever is variable.

Government as Common Grace: Article 36 of the Belgic Confession, the second article referred to in Point 2, teaches an admirable doctrine, namely, that the state exists in order to restrain evil (by means of laws enforced through magistrates). This should be a favorite Article, *as amended* by the Christian Reformed Church; (the amendment was necessary in order to recognize the proper separation of church and state). The Article teaches: (1) that the state exists solely to restrain the evil and protect the good; (2) that the Law of God takes precedence over the law of men; and (3) that socialists-communists and interventionists are to be "detested." This is Calvinism at its best.

But should *government* or its activities be described as part of the "general operations" of the Holy Spirit, or common grace? Shall we hereafter say that "Eisenhower is the head of common grace in Washington" instead of saying that he is the head of the government in Washington? Or shall we say that what Eisenhower does is a manifestation of the "general operations" of the Holy Spirit? Some people may then be brought to ask the question of themselves whether a church should develop a nomencla-

*See October 1957 issue, page 297 ff; and December 1957, page 359 ff.

ture which practical men will be reluctant to accept, which complexifies terms, which confuses people, which sets science over against religion, and which may result in thoughtful people looking at the church with disrespect?

In summary then, the Christian Reformed church *apparently* has here said that natural laws and government constitute part or *all* of the "general operations of [the Holy] Spirit."

Is There More Than Natural Law And Government

The word *general* in "general operations" may mean something different and broader than Articles 13 and 36. It may refer to some unfathomable activity, which nobody exactly understands, and which no text or article of faith specifically expounds; certainly Articles 13 and 36 do not. In any event, if "general operations" is to be defined, it should be defined (1) in terms of accepted categories of thought — such as physical laws, moral laws, miracles, government, or (2) as mysteries; or (3) both.

The question therefore regarding what common grace means in Point 2 remains uncertain and ambiguous until there is a *definite* definition given to "general" in the expression "general operation of [the Holy] Spirit."

Ricardo's Law Of Association As The Most Important Factor Holding Society Together

Ignoring hereafter whether the synod of the Christian Reformed church has defined the meaning of common grace unambiguously, is the synod's *conclusion* justified that it is the "general operations of [the Holy] Spirit" which really has made "human society possible"? We are reluctant to accept the idea that two definite things, natural law and government, maybe supported by some other operations which are indefinite, are able to hold society together. More is, we are disposed to believe, necessary. We hold that the most important item of several that hold society together has conspicuously been left out. We refer to what is involved in the idea constituting the essence of Ricardo's Law of Association.

Does Ricardo's Law of Association help hold society together? If so, what in substance is Ricardo's Law of Association as explained in the preceding article? In the simplest words possible,

Ricardo's Law in essence consists in the exercise of rational *egoism* (self-love, self-preservation, self-determination or freedom of choice, selfishness, pursuit of the self-regarding interest, or whatever you wish to call it).

We are not here dealing with a mysterious "general operation" of the Holy Spirit but with an earthly law of human action, established by God, which is as definite, discoverable and obvious as a physical law such as gravity. What holds society together is not other things plus an insignificant dose of egoism. Nor is it other things excluding egoism. It is egoism as the most important single factor, plus some other things, one of which is also very important.

Self-love is not a destructive but a constructive factor. We are to love the neighbor *as ourself*. Nothing could teach that self-love is valid more plainly than that expression.

But there are some ideas associated with Ricardo's Law of Association which must be kept in mind, or else the emphasis on it will cause confusion. These ideas are as follows:

1. We live in an orderly world where physical laws operate regularly, according to which we can make efforts with hopes of attaining our ends. Call this providence if you will, or call it the "general operations" of the Holy Spirit; but we prefer to avoid both terms and use instead *natural law*. Of course, we accept that God made the natural laws and is above them. Our interpretation of Article 13 is theistic, not deistic.

2. We live in a praxeological world, a world in which men have purposes for their actions. Those purposes may be evil, but they need not be. If sin is completely pervasive in the world — and we believe that it is — its complete pervasiveness lies not so much in the needs and purposes of men, but in the means employed to accomplish the purposes.

3. The only *purposes* that a man can be wise about are his own (and maybe those of a *very* few people whom he knows real well). Man is finite and very limited in his intellectual capacities. The "limitations of the human mind" should induce a man to restrict his purposes and selection of means largely to himself. When men undertake to decide for others, they do what is beyond their ken; consider what we have written in the articles on "The Charac-

ter Of Our Choices." Consequently men deceive themselves when they think that they can safely play at being God. Each man should swear off the arrogance which consists in thinking that he knows better than do other men themselves what their purposes and means should be.

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

5. Next, Ricardo's Law of Association assumes the existence of *reason*, the ability of Strongman and Feebler to figure out what we have presented on pages 208-213, which proves mathematically that it is in their interest to *associate together* (from which Ricardo's Law of Association gets its name); indeed it is a calculation which supports Ricardo's law so conclusively that if it is not true, then human *reason* has no meaning.

Men have been able to observe and sense the advantages of association (cooperation) from time immemorial. John Calhoun, the greatest of American political theorists, makes the point that men have from the very beginning been *in society* and that isolated natural man is a figment of the imagination. The most primitive savages know the advantages of association though they may not know the mathematics of Ricardo's Law of Association.

6. Ricardo's law assumes the existence of freedom to pursue self-determined and self-regarding interests. Without such freedom maximum cooperation cannot be developed.

7. The next idea associated with Ricardo's Law of Association is that *violence, theft, fraud and covetousness* will not be permitted in organized society to disturb "right reason." Of course, they do, and discouragingly so. Therefore, there must be a corollary proposition, namely, that evil should be restrained by coercion by the state. Here we are back to Article 36 of the *Belgic Confession* which declares itself for law and order. Without an *organized* state, society would be chaotic. Chaos is undoubtedly worse than tyranny. Ricardo's Law of Association then, while assuming rational self-interest, does not assume self-interest *alone*, because that would ignore the universal total depravity.

At least seven things, then, are antecedent to or help hold society together beneficially: (1) a framework of physical laws; (2) the existence of human beings who are capable of being purposeful; (3) the abandonment by individual men of the pretense of omniscience by which any one of them or a few of them will decide for all others; (4) the unequal inequality of men, according to their creation; (5) the existence of reason among men, so that they know *how* to follow their own interests; (6) the existence of freedom to pursue self-interests according to self-decision and to engage in self-preservation; and (7) a government operating according to the moral law (the Ten Commandments). Some of these seven items pertain to the creational and physical aspects of man's being. But the three items which especially depend on *human action*, and therefore are peculiarly significant for human society, are self-regarding purposeful action (number 5), and freedom (number 6), and the law of God (number 7). This can be reduced really to two, namely, egoism plus the law of God. Society hangs together, despite total depravity, on the basis of those two factors rather than the "general operations of [the Holy] Spirit" defined as providence and human magistrates.

Self-interest is, as has been shown by Ricardo's Law of Association, not in the least in conflict with the Law of Brotherly Love. It is, in fact, a rational, demonstrably-beneficial foundation underlying the law of brotherly love.

Previously (in PROGRESSIVE CALVINISM in February, March,

April and May, 1955), we have defined brotherly love as consisting of: (1) freedom, (2) but no wrong to the neighbor, (3) forbearance and forgiveness, (4) charity, and (5) the proclamation of the gospel. In this definition the most attacked item, since the rise of socialism-communism, is the item of freedom. Freedom, it is said, is dangerous — good only for the strong but terribly bad for the weak. That idea of Karl Marx, which is widely accepted by Christians, is a gross intellectual error, as we have shown in this issue.

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Perspective Of This Issue

This publication devotes itself primarily to ethics and economics; not to theology.

In the February through May 1955 issues, in our first year of publication, special attention was given to the Biblical *definition* of brotherly or neighborly love. The purpose was to refine out of the term the sanctimony which has infiltrated it.

In recent decades the cult of brotherly love, under the term *agape*, has reached a zenith of absurdity and hypocrisy. The more

sanctimonious the Christian religion becomes the more it will fall into disrepute and neglect. In Biblical times sanctimoniousness was as frequently under fire as any human infirmity. Whenever hypocrisy has flourished the church has been in a decline.

Now, three years later we have returned to the subject of brotherly love but whereas we previously made a scriptural approach we are now making a rational one. We are showing that the same hard common-sense characteristics of the Hebrew-Christian religion in regard to the relations of men to men are also sound economics.

There is a provocative proposition which is our starting point in this second analysis of brotherly love. That provocative proposition is one which underlies socialism (which is the most sanctimonious pseudo-religion yet fabricated by the human mind). Moses and Marx, both Jews, have with the genius of their race, formulated the basic ethical issue more uncompromisingly and clearly than other thinkers. Marx was for sanctimony, in the form of altruism. Moses was against such sanctimony, and legislated in favor of individualism (self-love and liberty). For Moses self-love was the ultimate standard of ethics; Moses wrote: Thou shalt love thy neighbor *as thyself*, a statement which sets up self-love as the *highest* standard for ethical conduct. Marx condemned the self-love set up as a standard in the ethics of Moses; he considered Moses's laws to be wicked and cruel. Marx demanded altruism, summarized in his famous slogan, From each according to his ability to each according to his need. There is no self-love in that, only pure altruism.

Marx's demand for altruism, in all the actions of men, had in it a basic presupposition, namely, that freedom in its very nature is an evil thing. Freedom, he admitted, was advantageous to the strong. But in proportion as it was advantageous for the strong, it was disadvantageous, he declared, for the weak.

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The existence of freedom obviously permits the exercise of self-love. In fact, that is the prime reason for favoring freedom, for which many men have sacrificed their lives. Who would care for freedom if he could not therewith accomplish *his own* wishes and satisfy *his own* choices, according to *his own* values, and in *his own* way.

Marx declared that under freedom the rich grow richer and the poor grow poorer. Expressed in terms of power, the proposition is: the strong grow stronger and the weak grow weaker.

We have already partially presented our case against Marx's proposition. The first point that we set out to make was that men are obliged, by their *intellectual limitations* to be *self-regarding*. We *cannot* be wisely altruistic, because we do not know and *cannot know* the needs of others as we know our own. We are finite mortals, and therefore we *must* limit ourselves to being selfish; only God who is infinite in knowledge *can* play the altruistic role; however, He obviously has not undertaken that.

Next, we showed that men must be "selfish" — that is, must conserve resources useful to satisfy human needs. All men are afflicted with a *universal welfare shortage*. Therefore, men are subjected to a *coercion from circumstances*. This coercion from circumstances is to be distinguished sharply from coercion by men. The latter is contrary to the law of God, and it is equally contrary to sound economics. But in a finite world occupied by human beings who are insatiable in their needs, there is always a *welfare shortage*, which can best be countered only by self-decision and the pursuit by each man of his self-regarding interests (always, of course, within the bounds of the Law of God). Men conserve much more conscientiously what is their own than what belongs to others.

Next, we showed (in the July issue) that *unalloyed selfishness* induces men to *cooperate* together. This is an astonishing proposition. One might expect just the contrary, viz., that selfishness would induce men to separate from each other; in Marxian language, the strong would go their way and leave the weak to their fate.

In the July issue we put the case against selfishness as strongly as possible — one man excelled above the other in everything, but in *unequal degree*, as is always the case. We showed mathemat-

ically that selfishness indubitably contributes to human *cooperation* and spectacularly to human welfare. We contrasted that fact with a confused medievalistic type of thinking in regard to what holds society together. *The main influence holding society together is selfishness operating in a framework involving division of labor.*

But the question still remains. Grant (as must be granted) that selfishness is creative of far better results than most people realize, how about the *division of the spoils*? Grant that production is greatly increased by rational, individual selfishness resulting in human cooperation—do the strong only get the benefit, or do the weak also share in the results? The principle purpose of this issue is to answer that question.

In the July issue we considered two men, Strongman and Feebler, who both wished to build a house, requiring the sawing of 2,000 logs and the pounding of 9,000 nails for each house. Strongman, according to our assumption, made so that our case would be at a maximum disadvantage, was more capable in *everything* than Feebler. Strongman could saw 100 logs or pound 300 nails an hour. That means that he would have to spend only 20 hours sawing and 30 hours pounding nails in building his house, a total of 50 hours of work. Feebler, in contrast, could saw only 25 logs an hour, or could pound only 200 nails an hour. To build his house, he would have to spend 80 hours sawing and 45 hours pounding nails, a total of 125 hours. But—and this is the astonishing thing—if Strongman and Feebler *cooperated*—if they divided the work by Strongman doing all the sawing and Feebler pounding all the nails, then the total work would be 40 hours for Strongman and 90 hours for Feebler, or a gain for Strongman of 10 hours and for Feebler of 35 hours. This marvelous improvement is the result of an act of creation by God, namely, Strongman and Feebler were created *unequally unequal*.

It should be noted that that gain which we demonstrated in the July issue does not entail any harder work nor any increased skills on the part of either man. The difference in result from isolated labor versus cooperation rests solely in the native endowments of the two men, an act of creation.

This issue must be read in conjunction with the July issue. There are a number of Tables in these two issues. That is because it is necessary to consider a variety of cases. Analyses of this type

are not hard to understand. Readers should not hesitate to read these articles because they *appear* difficult. An ordinary sixth grader who learns mathematics better than by mere memory will have no difficulty with this material. However, it must be read *in sequence*, in order to be understood.

The Engine And The Brakes (Society Like An Automobile)

An automobile without an engine and without brakes will not operate.

Society needs something positive, as an engine, in order to have something which holds it together. That "engine" is self-love, or self-interest, or self-preservation, or selfishness — or whatever you wish to call it.

But society is no more safe without brakes than is an automobile. Something negative is also needed. The "brakes" that keep the self-interest, which creates society, within bounds and which make society safe is not the state nor magistrates of the state. The real brakes are principles rather than men with power; those principles are the Law of God.

The Law of God gives liberty to the pursuit of self-interest, but it forbids doing what injures the neighbor. The ethical content of the Law of God can be paraphrased from what Sallust, the Roman historian, said on another subject on another occasion, "*it [the Law of God] takes nothing away from men except the liberty to do wrong.*"

Self-love plus the Law of God — those two factors — are the factors that hold society together. And the two function together as an engine and brakes in an automobile.

Any other idealistic explanation of what holds society together is a form of medievalism.

Of course, in the abstruse sense that God is creator and sustainer of all things, God holds society together. But to be realistic it is necessary to be more specific on *how* it is done. That *how* is self-love plus the Law of God.

The More Probable Case

In the July issue we considered a rather improbable case, namely, that Strongman excels over Feebler in *every* activity. The more probable case is that Strongman exceeds Feebler in some

activities and that Feebler exceeds Strongman in other activities. This superiority of one man in one thing and of another man in another thing may be a native endowment or it may be an acquired superiority.

Concentration on one activity promotes great increases in skill and speed. Few scientists could build a house as well as a contractor, but vice versa, the contractor may not be skilled as a scientist. A doctor may be a wonderful surgeon, but a very poor farmer; and vice versa for the farmer. Almost certainly, therefore, some men excel in one activity and other men in another activity. The ability to excel is usually an *acquired* ability.

Let us assume, then, that Strongman excels in sawing only and that Feebler excels in nailing; then (let us say) Strongman can saw 100 logs an hour and pound 200 nails an hour. Feebler, however, can saw 25 logs an hour but he can pound 300 nails an hour. Now Strongman excels in one activity and Feebler in another. What is the result?

First, let us assume that they work separately:

Table 9

Two Unequally Unequal Men Working Separately

Strongman		Feebler	
2,000 logs at 100 an hour =	20 hrs.	2,000 logs at 25 an hour =	80 hrs.
9,000 nails at 200 an hour =	45 hrs.	9,000 nails at 300 an hour =	30 hrs.
Total	65 hrs.	Total	110 hrs.

The two together (65 + 110) = 175 hours

But now consider what happens when they "associate," or cooperate, or exercise the Biblical law of brotherly love:

Table 10

Two Unequally Unequal Men Working Together

Strongman		Feebler	
4,000 logs at 100 an hour =	40 hrs.	18,000 nails at 300 an hour =	60 hrs.
(2,000 for each house)		(9,000 for each house)	
The two together = 100 hours, or a 43% saving from Table 9			

Table 11

**Savings From Ricardo's Law Of Association Or
Savings From Scriptural Law Of Brotherly Love**

	In Hours			In %
	Building Alone	Cooperating With The Other	Saving	
Strongman	65	40	25	38%
Feebler	110	60	50	45%
Total	175	100	75	43%

According to the assumption in the July issue, the result of cooperation, shown in Table 3 on page 211, was a saving of 25%. Here the saving is 43%. The *more varied* the inequality among men, the *greater the saving from associating together*, that is, from cooperation.

We have presented this case to show that under genuinely probable circumstances the gains are spectacular. The larger the gains, the more obvious they are; the more obvious they are, the more men wish to cooperate in society. It is the observable benefits from cooperation which induce men to seek cooperation with other men and so establish a society. There is nothing mysterious, theological or uniquely altruistic about it.

Much of the morality taught in Christian churches consists in the idea that there is only one way to show brotherly love — by altruism (that is, by charity). Such a doctrine ignores the most important way of showing brotherly love — by self-love in a division of labor framework, uncontaminated by violence, theft, fraud, covetousness.

As often taught, Christian ethics is dangerously obscurantist and erroneous. The trouble is that ecclesiastics have not informed themselves of the mathematics underlying the Ricardian Law of Association.

A Reader's Reaction To The Strongman-Feebler Case

One reader of PROGRESSIVE CALVINISM was unimpressed by the savings from cooperation between Strongman and Feebler as explained in the July issue. Those savings or reduction in hours of labor were from 50 to 40 hours for Strongman, or 10 hours; and from 125 to 90 hours for Feebler, or 35 hours; a total saving of 45 hours. Building their houses without cooperation the two men would have had to work 175 hours; together, only 130 hours.

Our reader commented: "Why not let Strongman build both houses alone? Then the total labor would amount to only 100 hours. *That* would be a real saving." Our reader went on to say that for the original 175 hours required of both Strongman and Feebler, Strongman working alone could build $3\frac{1}{2}$ houses (175 hours divided by 50 = $3\frac{1}{2}$) compared with only 2 houses by the cooperation of two men.

The mathematics of our reader are undoubtedly correct. Nevertheless, this *efficiency* will have to be forgone. The reason is simple; Strongman will not work hard while Feebler does nothing. Human nature will rebel.

Society, it should be clearly seen, is not held together by *efficiency*; something more than crass efficiency is necessary.

There is also a serious oversight in our reader's reaction. It assumed all the work was to be done by the able man, and no work by the less able man. Two men *could* work, but only one *would* work under this plan. Under this plan society would lose the whole of the services of Feebler.

Assume that Strongman and Feebler cooperate in building two houses as we outlined in the July issue, then what? First, Strongman will be a *willing* worker for 40 hours and Feebler for 90 hours. Strongman will have more spare time; namely 10 hours. Likewise, Feebler will have 35 hours more of spare time. It is not probable that either Strongman or Feebler will idle away all of their time saved. They will both have cooperated, which is gain number one; they will both probably also work part or all of the saved time which is a further "saving" (or more accurately, it is an increased production).

The moment that society adopts the policy of the efficient *only* doing the work, there will be much wasted labor time. The suggestion of our reader must therefore be wholly rejected; he had his attention fixated too much on the efficiency of Strongman only.

Strongman and Feebler both suffer from the world's universal *welfareshortage*. If they do not have a keen sense of a welfare-shortage, their wives will have, and the men will be persuaded to work at something besides building a house. It is patently a mistake, therefore, to look at the building of two houses as the only consideration.

We leave it to the common sense of our readers that society is better off with both the Strongmans and the Feeblers working, rather than the Strongmans only.

Readers may be unhappy about Feebler's inefficiency. Their dissatisfaction, if it *could be justified*, should be vented against God. God made Feebler as he is.

Advantages To The Weak And To The Strong From Cooperation Under Various Circumstances

In this article we wish to establish the following:

I That if two men are equally equal in native endowments and remain equal, then there are no advantages whatever from cooperation between them. See "Sterility From Cooperation Among Men Who Were Created Wholly Equal" on page 234.

II That if they are equally unequal, then there are no advantages to them from working together unless they disobey the Law of God. See "Equally Unequal Men Cannot Cooperate To Advantage Except By Violating The Law Of God" on page 235.

III That it would be practically impossible for an equality based upon creation to be continued in this world as it is presently constituted. Even if God had made us all equally equal or equally unequal, which He most certainly has not done, every effort by men of purposeful action (praxeological action) would be directed toward developing an inequality which did not exist in their original native endowments. There are two ways in which men wisely work with the intent of establishing inequality, to wit:

(a) Special skills (inequalities) are developed among men by one man specializing in one thing and another man in another thing; and

(b) The utilization of more capital to enhance productivity in one activity than in another.

Inequality among men, whether the origin is with God or with man, is for all practical purposes inescapable. It is in the nature of things. See "Neither God Nor Man Wishes Men To Be Equally Equal Or Even Equally Unequal. The Goal Is Complete Unequal Inequality" on page 237.

IV That genuine freedom, in the form of competition, should control the "distribution" of the benefits from cooperation without coercion of the weak or of the strong; furthermore, that it is impossible in a free society for the strong to appropriate *for themselves only* the benefits of cooperation. We shall consider this matter under four headings:

(a) The distribution of the benefits of cooperation under "isolated exchange"—that is, between only

two men, Strongman and Feebler. We shall make two separate assumptions under this head.

(b) One-sided exchange with only one weak man, that is, exchange between three Strongmen and one Feebler.

(c) One-sided exchange with only one Strongman and three Feeblers; and finally,

(d) Genuine two-sided exchange or competition, that is, between a variety of men, ranging from Strongman at one extreme to Feebler at the other extreme.

See "Who Gets The Spoils From Cooperation" on page 242.

1. Sterility From Cooperation Among Men Who Were Created Wholly Equal

Suppose we have two Strongmen, both of whom can saw logs at the rate of 100 an hour and pound nails at the rate of 300 an hour. They are equally equal. Will there be any advantages from cooperation in that case?

Let us assume that the two Strongmen decide that Strongman A does all the sawing and Strongman B does all the nailing. What will the savings be? It should be kept in mind that each of them working alone can build his house with 50 hours of labor, or 100 hours for the two. The calculation for the proposed division of labor is shown in Table 12.

Table 12

Two Equally Equal Men Working Together

Strongman A	4,000 logs at 100 an hour	= 40 hours
Strongman B	18,000 nails at 300 an hour	= 60 hours

Total 100 hours

In *total* therefore, there is not one hour of saving by Strongman A and Strongman B cooperating. There is no saving and there cannot be any saving because they are equally equal.

In our illustration in Table 12, it is true that the division of labor is not equal between them, but that would be adjusted between the two of them by Strongman A doing some of the nailing, so that the division of labor hours between them would be 50 hours each. But the important thing to note is this; *there is no saving possible from cooperation between equally equal men. Cooperation under perfect equality is completely sterile. The total number of hours is never reduced.*

II. Equally Unequal Men Cannot Cooperate To Advantage Except By Violating The Law Of God

Neither is there a saving possible from the cooperation of *equally* unequal men, except by violating the law of God.

To illustrate this let us assume that Strongman can saw 100 logs an hour and pound 300 nails an hour; secondly, that Feebler is $\frac{1}{4}$ as good as Strongman at both sawing logs and pounding nails, that is, that Feebler can saw 25 logs an hour and pound 75 nails an hour. The men in this case are certainly unequal because Strongman is four times as good as Feebler at both sawing and nailing. But they are not *unequally* unequal.

What happens in this case if the two men endeavor to cooperate? To answer this question it is necessary first to compute how long it will take each of them working separately to build their house and how long it will take them if they cooperate together and divide the labor.

Table 13

Computation Of The Time Required For Two Equally Unequal Men To Build Two Houses Without Cooperation

Strongman		Feebler	
2,000 logs at 100 an hour	= 20 hrs.	2,000 logs at 25 an hour	= 80 hrs.
9,000 nails at 300 an hour	= 30 hrs.	9,000 nails at 75 an hour	= 120 hrs.
<hr/>		<hr/>	
Total	50 hrs.	Total	200 hrs.
The two together (50 + 200) = 250 hours			

The table shows the obvious, namely, that it takes Feebler four times as long to build his house as it does Strongman.

Let us now assume that Strongman saws all the logs and pounds 3,000 of the nails, leaving 15,000 nails to be pounded by Feebler. Will there in this case be any saving *in the total* hours required to build the two houses?

Table 14

Time Required For Two Equally Unequal Men To Build Themselves Houses By Cooperation But Without Coercion

Strongman		Feebler	
4,000 logs at 100 an hour	= 40 hrs.		
3,000 nails at 300 an hour	= 10 hrs.	15,000 nails at 75 an hour	= 200 hrs.
<hr/>			
Total			
50 hrs.			
The two together (50 + 200) = 250 hours			

The table shows that there is *in total* no saving whatever under the division which has been made in Table 14.

Of course, Strongman is more efficient than Feebler and it is possible to reduce the total number of hours involved (namely 250 hours) by increasing the number of hours which the efficient man, Strongman, works. This is shown in Table 15 where it is assumed that Strongman will work 20 hours at nailing. Then there will be 12,000 nails to be pounded by Feebler requiring 160 hours by Feebler.

This combination gives a total of 220 hours as shown in Table 15, which is a saving, *but it cannot be accomplished without coercing Strongman by making him work more than 50 hours*. Such coercion would be contrary to the Law of God.

Table 15

Time Required For Two Equally Unequal Men To Build Themselves Houses By Cooperation But At The Cost Of Coercion

Strongman		Feebler
4,000 logs at 100 an hour =	40 hrs.	
6,000 nails at 300 an hour =	20 hrs.	12,000 nails at 75 an hour = 160 hrs.
Total	60 hrs.	
total (60 + 160) = 220 hours		

There is a saving *but Strongman has been coerced to work an extra ten hours to a total of 60 hours*.

To establish the principle involved let us consider another case. Any endeavor to reduce Strongman's time by as much as one hour, namely, from 50 hours to 49 hours will increase the total amount of time required to build the two houses.

Table 16

Time Required For Two Equally Unequal Men To Build Themselves Houses By Cooperation Without Any Coercion Of The Abler Man

Strongman		Feebler
4,000 logs at 100 an hour =	40 hrs.	
2,700 nails at 300 an hour =	9 hrs.	15,300 nails at 75 an hour = 204 hrs.
Total	49 hrs.	
Total (49 + 204) = 253 hours		

Working alone they could build houses in 250 hours. Now the hours have increased.

The following conclusions can be reached about the effects of cooperation among equally unequal men: It is possible to make a gain from cooperation only if one man is coerced:

- (a) a gain does occur if the abler man is *coerced* to work longer than before;
- (b) if he works exactly as long as before there is no gain whatever in total; the result is unchanged;
- (c) if the less able man is coerced to work longer than before, then there is an actual loss from cooperation. *Equally unequal men, therefore, can gain from cooperation only at the cost of coercion, a positive violation of the Sixth Commandment.*

We can summarize the situation up to this point as follows:

- 1. Unequally unequal men can gain by association or cooperation *without coercion*. See the July issue.
- 2. Equally equal men can never gain by any cooperation.
- 3. Equally unequal men can never gain by cooperation except at the cost of coercing the abler of the two men.

A *voluntary* society, in which men *willingly* cooperate, must therefore be a society made up of men who are *unequally unequal*.

It is not the "general operations of [the Holy] Spirit" of God which holds society together and makes it possible, but voluntary and beneficent self-interest which is profitable when and only when men are *unequally unequal*.

III. Neither God Nor Man Wishes Men To Be Equally Equal Or Even Equally Unequal. The Goal Is Complete Unequal Inequality

For all practical purposes the broad and categorical statement can be made that neither God nor man will tolerate anything except unequal inequality.

This may disappoint the socialists and communists, the social gossellers and the members of the *agape* (altruism) cult, but their disappointment will not alter the fact. They are sentimentalists. They lack realism. They are somnambulists. They suffer from delusions.

In regard to what God has done in *how* he has made various human beings — indeed *how* he has made everything — the record is so clear that (misquoting Shakespeare, as is usually done) "he who runs may read."* The natural sciences tell us that there are

*Shakespeare quoted Habakkuk correctly. See Habakkuk 2:2.

no two absolutely identical things in the world. Everything has individuality. God created an infinite *variety* in everything. One man may be a fine musician but stupid at mathematics. Another man may be a fine mathematician but be stupid in music. Children of the same parents are astonishingly different. Not even so-called "identical twins" are really identical; they have distinguishable differences.

There is the famous misstatement in physics that "nature abhors a vacuum," but although it is not strictly true it does express a workable idea. In a parallel way it can be said (respectfully) that God (apparently) abhors uniformity and created universal unequal inequality. In this case, there is no misstatement involved at all; the statement is wholly true on the basis of universal observation.

But assume, just for the argument, what in fact is not true, that God had made two persons absolutely equal. Would those two individuals endeavor to remain equal? No. Although sentimentalists think that they should endeavor to remain equal, they will in fact exert themselves to become unequal. They will do this in two ways: (1) they will engage in division of labor and (2) they will apply capital to various operations in variable degrees. These two programs result in inequality, not equality.

Inequality Resulting From Division Of Labor

Assume two men equally equal for all practical purposes. What will they discover, and after the discovery what will they do? The first man will discover that by specializing on one activity he can increase skill and speed enormously. The second man will discover the same for some other operation. And so the first concentrates on one activity and the other concentrates on another. The *total* production is now greatly increased.

Adam Smith wrote about the benefits of the division of labor with classic simplicity and force. We quote as follows from his *Wealth of Nations*, Book I (Of the Causes of Improvement in the productive Powers of Labour, and of the Order according to which its Produce is naturally distributed among the different Ranks of the People), Chapter 1 "Of the Division of Labour":

The greatest improvement in the productive powers of labour, and the greater part of the skill, dexterity, and

judgment with which it is any where directed, or applied, seem to have been the effects of the division of labour.

The effects of the division of labour, in the general business of society, will be more easily understood, by considering in what manner it operates in some particular manufactures. It is commonly supposed to be carried furthest in some very trifling ones; not perhaps that it really is carried further in them than in others of more importance: but in those trifling manufactures which are destined to supply the small wants of but a small number of people, the whole number of workmen must necessarily be small; and those employed in every different branch of the work can often be collected into the same workhouse, and placed at once under the view of the spectator. In those great manufactures, on the contrary, which are destined to supply the great wants of the great body of the people, every different branch of the work employs so great a number of workmen, that it is impossible to collect them all into the same workhouse. We can seldom see more, at one time, than those employed in one single branch. Though in such manufactures, therefore, the work may really be divided into a much greater number of parts, than in those of a more trifling nature, the division is not near so obvious, and has accordingly been much less observed.

To take an example, therefore, from a very trifling manufacture; but one in which the division of labour has been very often taken notice of, the trade of the pin-maker; a workman not educated to this business (which the division of labour has rendered a distinct trade), nor acquainted with the use of the machinery employed in it (to the invention of which the same division of labour has probably given occasion), could scarce, perhaps, with his utmost industry, make one pin in a day, and certainly could not make twenty. But in the way in which this business is now carried on, not only the whole work is a peculiar trade, but it is divided into a number of branches, of which the greater part are likewise peculiar trades. One man draws out the wire, another

straights it, a third cuts it, a fourth points it, a fifth grinds it at the top for receiving the head; to make the head requires two or three distinct operations; to put it on, is a peculiar business, to whiten the pins is another; it is even a trade by itself to put them into the paper; and the important business of making a pin is, in this manner, divided into about eighteen distinct operations, which, in some manufactories, are all performed by distinct hands, though in others the same man will sometimes perform two or three of them. I have seen a small manufactory of this kind where ten men only were employed, and where some of them consequently performed two or three distinct operations. But though they were very poor, and therefore but indifferently accommodated with the necessary machinery, they could, when they exerted themselves, make among them about twelve pounds of pins in a day. There are in a pound upwards of four thousand pins of a middling size. Those ten persons, therefore, could make among them upwards of forty-eight thousand pins in a day. Each person, therefore, making a tenth part of forty-eight thousand pins, might be considered as making four thousand eight hundred pins in a day. But if they had all wrought separately and independently, and without any of them having been educated to this peculiar business, they certainly could not each of them have made twenty, perhaps not one pin in a day; that is, certainly, not the two hundred and fortieth, perhaps not the four thousand eight hundredth part of what they are at present capable of performing, in consequence of a proper division and combination of their different operations.

In every other art and manufacture, the effects of the division of labour are similar to what they are in this very trifling one; though, in many of them, the labour can neither be so much subdivided, nor reduced to so great a simplicity of operation. The division of labour, however, so far as it can be introduced, occasions, in every art, a proportionable increase of the productive powers of labour.

Inequality Resulting From Application Of Capital

The second man-made factor promoting unequal inequality results from the utilization of capital.

The effect of applying *capital* to labor efforts is well-known — the increases in production resulting therefrom are enormous.

An ox is *capital*. A man puts an ox to work. Solomon says: "Where no oxen are, the crib is clean; *but much increase is by the strength of the ox.*" In modern language, capital contributes to "much increase."

The amount of capital behind every workman in the United States is steadily going up. *That*, and not the harder labor of men, is what is making the standard of living go up in the USA.

After World War II a friend who had been president of a diesel engine company decided that a great future lay in investing capital in various foreign countries. One of his favorites was India. His idea was that if more diesel engines (power equipment, capital) would be made available to each Indian, that then the standard of living in India would go up; the *hard* work would then be done by a modern ox — a diesel engine — and then the "increase would be much" in the productivity of India.

This, by the way, was an idea contrary to Mahatma Gandhi's. He wanted a simple society. He sought no *power* from capital for India! No "strength of the ox" to raise Indian productivity! But every man, as Gandhi, would have his own little corral, his own little rice patch, weave his own loin cloth, thatch his own roof, and squat beside his own fire of twigs! What atavism! Any man with mental ideals of that kind is morally unfit — because of economic ignorance — to have a position of social and political responsibility.

My friend, though, who wished to make large investments in India and apply capital (that is, diesel engines or other equipment) in order to increase Indian production, suffered a disappointment. Nehru, ex-communist and presently a socialist and a would-be expropriator or confiscator, made capital investments unsafe in India for my friend. He abandoned the idea of developing India — at his own loss.

Consider primitive man — let us say, Adam, who (Scripture clearly indicates) was not even a stone-age man. How long would it take him to chop down a tree or saw a log? A year maybe for

one tree and one board. With what would he do the work? His bare hands? But put a modern axe of tempered steel in his hand or a power chain saw — and he could have brought down a big tree in half an hour.

The net effect of capital accumulation is to increase unequal inequality. It makes inequality of production more unequal than before the capital was available. Thank God, if you will, for the capital; or the human saver and the creator of capital; but at least be thankful.

Capital is not essentially divisive in society. Sin, not capital itself, makes capital divisive. We refer to the sin of covetousness. Capital to the contrary is a cohesive factor in society, because it promotes production, reduces production costs, makes individual production efforts more unequally unequal, and *consequently more profitable, thereby promoting cooperation.*

In short, God and man cooperate (purely rationally) in promoting unequal inequality among men.

IV. Who Gets The Spoils From Cooperation

When Andrew Jackson became the second Democrat president of the United States he ousted the old office holders in Washington and put in his own partisans. This was done under the slogan, To the victor belongs the spoils. A careful reader of the July issue and of what precedes herein may say to himself, "The case for freedom is not proved. The examples show that both participants in a cooperative effort gain, and the gains have been fairly equally divided in the *specific illustrations selected*. But actually, practically all of the gains may go to one party. Because Strongman is generally the "stronger" and "wiser" man, he may be expected to get most of the benefits. He will out-trade Feebler. Not improbably Strongman may be almost the sole beneficiary of the cooperative effort. He may go off with the lion's share of the gains. It is (so it may be argued) still possible that Marx was right when he said that the strong grow stronger and the weak grow weaker.

The skepticism expressed is at this point well taken. The case has not yet been established that both the strong and the weak (especially the weak) gain by division of labor and cooperation

according to Ricardo's Law of Association. All that the law substantiates is that there is a gain from cooperation, but nothing has yet been shown regarding "who gets what" of the benefit—the one in the better bargaining position, or the one in the poorer bargaining position. What happens?

In what follows that question will be answered under four different sets of circumstances: (1) isolated exchange of services (that is, between only two men); (2) several strong and one weak man, or onesided competition between the strong; (3) one strong man and several weak men, or onesided competition between the weak; and finally (4) full competition between several strong men and several weak men.

Four examples will be worked out under the probable circumstances in each case. From those as examples, readers can work out the result under any combination of circumstances they wish to assume.

1. Division Of Benefits Under Isolated Exchange Of Services

The range of possible appropriation of the benefits of cooperation is a wide one in this case.

In this analysis we shall use our original figures, which we are repeating from the July issue.

Table 17 (same as Table 1 in the July issue)

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

Table 18 (same as Table 2 in July issue)

Two Unequally Unequal Men Working Together	
4,000 logs at 100 logs an hour =	40 hours labor for Strongman
18,000 nails at 200 nails an hour =	90 hours labor for Feebler
The Two together = 130 hours	

Table 19 (same as Table 3 in July issue)
**Savings From Ricardo's Law Of Association Or
 Savings From Scriptural Law Of Brotherly Love**

	<i>I n H o u r s</i>		<i>I n %</i>
	<u>Building Alone</u>	<u>Cooperating With The Other</u>	<u>Saving</u>
Strongman	50	40	10
Feebler	125	90	35
Total	175	130	45
			25%

The total savings are 45 hours, according to column 3 in Table 19.

For simplicity sake we shall assume that the most extreme distribution of the saving will be that all of the saving goes to Strongman except only one hour to Feebler; or vice versa, all the saving to Feebler except one hour to Strongman.

Who gets what within these ranges is a matter of bargaining skill and stubbornness. We assume each man will voluntarily cooperate if he saves at least one hour. Nevertheless the savings will be disproportionate if one man gets all the saving except one hour.

Let us assume first that Strongman is the tougher bargainer, and then later that Feebler is.

1. Strongman, if he is out to get practically all of the benefits from cooperation, will plan as follows:

(a) Feebler, building his own house alone, has to work 125 hours.

(b) I wish to let him have a one-hour saving down to 124 hours, that is, I propose to tempt him to cooperate by showing him how to save *one* hour. Pounding 18,000 nails will take him, at the rate of 200 an hour, 90 hours. That leaves 34 hours yet for him to work (124 hours total less 90 at nailing = 34 for sawing). He must saw 34 hours. At 25 logs an hour, he must saw 850 logs.

This is the proposition which Strongman as a hard trader will submit to Feebler.

**Feebler's Assignment So That He Saves
 Only One Hour, From 125 to 124 Hours**

18,000 nails at 200 an hour = 90 hours

850 logs at 25 an hour = 34 hours

124 hours

Working alone, 125 hours. Saving to Feebler, one hour.

This will leave for Strongman the following task:

4,000 logs less 850 logs = 3,150 logs he must saw

3,150 logs at 100 an hour = $31\frac{1}{2}$ hours

The savings will then be as follows:

Strongman: 50 hours alone, less $31\frac{1}{2}$ hours by cooperation =
18½ hour saving

Feebler: 125 hours alone, less 124 hours by cooperation =
one hour saving

Percentage wise, the result of cooperation (association) on this basis is a saving for Feebler of less than 1% in his labor time, and a saving for Strongman of 37%. The "spoils" have been very unevenly divided, but in "isolated" exchange this *can* happen. Nor has Strongman violated the law of God. He has not *coerced* Feebler. He has left to Feebler the choice of 125 hours or 124 hours. He has offered Feebler a genuine saving; not much, but still a saving.

It would have been different if he had demanded Feebler's cooperation and made him work 126 hours. Then the law of God would definitely have been violated.

2. But now let us assume that Feebler is the more calculating and tough bargainer. Feebler says to himself: "it costs Strongman 50 hours to do it alone. I will offer him a one hour saving in his time. At 49 hours he will cooperate with me. What shall I suggest to him?"

Feebler says to himself that first Strongman must do all the sawing. That is: 4,000 logs at 100 logs an hour = 40 hours work. Then he must work 9 hours more, or a total of 49 hours, leaving him one hour saved. In that 9 hours he can pound 9 times 300 nails an hour, or 2,700 nails. There are 18,000 nails to be pounded, and so that will leave Feebler 18,000 less 2,700 nails, or 15,300 nails to pound. At 200 nails an hour Feebler will have to work: 15,300 nails at 200 an hour = $76\frac{1}{2}$ hours. Feebler's total time working alone was 125 hours; now it will be only $76\frac{1}{2}$ hours, or a $48\frac{1}{2}$ hour saving. That contrasts to Strongman's paltry one hour.

In percentages, with Feebler the stronger bargainer under "isolated" exchange, Strongman will have a 2% saving in his time, from 50 hours to 49 hours; but Feebler will have an almost 39% saving from 125 to $76\frac{1}{2}$ hours. This time too the "spoils" have

been unequally divided. Nevertheless, Feebler has not violated the law of God. He has not coerced Strongman. He has left Strongman the choice of 50 hours or 49 hours. Feebler has offered Strongman a genuine saving; not much, but still a saving.

It would be different if he had demanded Strongman's cooperation and made him work 51 hours. Then the law of God would definitely have been violated.

Summarizing what each man gets between the ranges shown will depend on his bargaining skill. The ranges, in summary are:

If Strongman is a perfect (severe) bargainer, the saving in hours worked will be:

Strongman	18½ hours
Feebler	1 hour

But if the roles are reversed and Feebler is a perfect (severe) bargainer, then the saving in hours worked will be:

Strongman	1 hour
Feebler	48½ hours

No one can predict what will actually happen. It depends on the men. In *isolated* exchange between two men the "range" of the bargaining can be very wide. The following table gives a summary:

Table 20

Summary Of Ranges Of Benefits From
Cooperation Under Isolated Exchange

	Each Man Working Alone	<i>Working Together</i>	
		When Strongman Is A Perfect Bargainer	When Feebler Is A Perfect Bargainer
Strongman	50 hours	31½ hours	49 hours
Feebler	125 hours	124 hours	76½ hours
	<hr/> 175 hours	<hr/> 155½ hours	<hr/> 125½ hours

Depending on bargaining skill, the maximum range of hours for Strongman is from 31½ hours to 49 hours; for Feebler from 124 to 76½ hours.

There is nothing gained by denying what the figures show, namely, in isolated exchange the "spoils" from cooperation can be very unevenly divided, but without violating the law of God.

2. One-Sided Competition; Four Strong Men And One Weak Man

Under this circumstance we wish to make two subassumptions, namely, first that the four strong men are equally equal, and second that they are unequally unequal but that all are still relatively strong over against Feebler.

1. Four Equally Equal Strong Men and one Feebler:

This assumption we have previously explained is sure to be contrary to fact, but it will be instructive to see what would happen under that circumstance. (God, we indicated, does not make anything equally equal to something else, and men operate in a manner systematically to establish a salutary unequal inequality.)

We shall assume three additional strong men. In addition to our original Strongman we have three others, Strongman-A, Strongman-B, and Strongman-C. Each can saw 100 logs an hour and pound 300 nails an hour; they are equally equal. Over against these four equally equal strong men there is our one unequal weak man, Feebler. How will the poor fellow be able to trade over against the four strong men? What will the terms be?

The astonishing thing will be that Feebler will be able to "write his own ticket." Instead of having to put in 125 hours of hard labor building his own house in isolation he can now make a deal with either Strongman, Strongman-A, Strongman-B, or Strongman-C to get his (Feebler's) house built for only 76½ hours of labor! Why?

The four strong men will be utterly unable to gain from "associating with" or cooperating with the other three in building their houses. No gain to any one of them is possible. Cooperation among perfect equals is inescapably sterile; it is just as inescapably a prerequisite for gains to occur in economics only on the basis of differences between the participants, as it is necessary for men and women to be different in order to beget babies. The only man of the whole five with whom the four can make a "deal" is Feebler.

The four strong men will court Feebler as if he were the belle of the town.

Strongman will probably begin with an unattractive bid to Feebler. He will say to Feebler: "It takes you 125 hours to build a house working alone. Work with me and I will cut that down to 124 hours for you."

Strongman-A will immediately intervene. It is to his advantage to offer Feebler a deal requiring only 123 hours. He outbids Strongman accordingly.

But Strongman-B does not wish to lose the great potential gain for himself from cooperating with Feebler, and he bids to Feebler a house for only 122 hours work.

Strongman-C betters it by bidding 121 hours of work.

Feebler sits back and listens. He begins to realize that the four strong men will not stop outbidding each other until there is no advantage any more in it for any of them. That point is reached after one of them bids to Feebler a house for only 76½ hours work by Feebler. That will leave the best strong man's bid still good for himself, because it reduces his own work time from 50 hours to 49 hours. But here the bidding stops. There is nothing more in it for any of the strong men to court Feebler's cooperation. A still lower bid will do only one thing — make it unprofitable for themselves. The bidding ends. Feebler accepts the best voluntary bid available to him — 76½ hours.

We can come then to the astonishing conclusion that the more strong men there are relative to our one weak man, the better the deal that the weak man can make. If there is only one of them against two or more strong men, then the weak man can trade to get *practically* all of the benefits from cooperation. The situation for Feebler is that shown in the last column in Table 20.

2. *Four Unequally Unequal Strong Men And One Feebler*: This is the more probable case. We have four men, and they are all strong but not quite equally strong. Their "strengths" are assumed to be as follows:

	<i>P e r H o u r</i>	
	<u>Sawing</u>	<u>Nailing</u>
Strongman	100	300
Strongman-A	85	270
Strongman-B	70	260
Strongman-C	60	250

Feebler, we assume, remains on his original basis—he can saw 25 logs an hour and nail 200 nails.

Readers will immediately realize that the four strong men are no longer in an equal competitive position and that the strongest, our original Strongman himself, can outbid the rest. But our strong men will continue to bid one against the other, until each reaches his limit.

The first to drop out of the bidding will be Strongman-C. By our usual calculations it can be computed that he will stop out-bidding the others when he has offered to cooperate with only 88 hours of work for Feebler (instead of Feebler's own solo cost of 125 hours). Strongman-C can do no better.*

But the other three strongmen continue to outbid each other. Again by our usual calculation Strongman-B drops out after he has made Feebler a bid of only 84 hours.

Strongman-A is still in the bidding. He and Strongman raise each other's bid until Strongman-A has reached his limit, namely, 78 hours. Then he too stops.

Feebler has been calmly waiting for the strong men to eliminate each other by their bidding. Where does he now find himself?

Strongman himself will better the bid of Strongman-A by say one-half hour. He offers Feebler cooperation at 78 hours minus one-half hour or $77\frac{1}{2}$ hours.

Now at last the bargaining begins between Strongman and Feebler themselves. The best that Feebler can get will be $76\frac{1}{2}$ hours. Strongman has already offered the $77\frac{1}{2}$ hours.

The price will settle at or somewhere between $77\frac{1}{2}$ hours and $76\frac{1}{2}$ hours. Whether it is $77\frac{1}{2}$ hours or $76\frac{1}{2}$ hours or in-between will depend on the bargaining skill of Strongman and

*In abbreviated form the computation for Strongman-C is as follows:

(a) 2,000 logs at 60 logs an hour = 33.3 hours

9,000 nails at 250 nails an hour = 36.0 hours

Total time working alone = 69.3 hours

(b) Strongman-C's best offer will be 69.3 minus 1 hour = 68.3 hours that he himself will work.

(c) 4,000 logs for two houses at 60 logs an hour = 66.7 hours at sawing only.

68.3 hours less 66.7 hours = 1.6 hours available for nailing

1.6 hours x 250 nails an hour = 400 nails

(d) 18,000 nails for two houses less 400 nails = 17,600 nails for Feebler to drive in

17,600 nails at 200 an hour = 88 hours, the best offer Strongman-C can make to Feebler

Feebler. If Feebler has more stamina than Strongman, then the hours Feebler must work may go down to $76\frac{1}{2}$ hours. But if Strongman has the greater stamina, then Feebler may settle for as much as $77\frac{1}{2}$ hours.

We can now state the interesting conclusion that competition among our so-called strong men has helped Feebler, the weak man. Competition helps him who is the loneliest, who has the fewer competitors. Feebler, because he had no competitors could just sit back and shake his head to all bidders until the original Strongman had eliminated all competitive bidders. Only then did Feebler need to begin to bargain. Up to that time the other strong men were doing his bargaining for him.

Note this: competition in this situation has greatly narrowed the range in which the price might settle. In isolated exchange it was a range for Feebler from 124 to $76\frac{1}{2}$ hours. Now the range is down to $77\frac{1}{2}$ to $76\frac{1}{2}$ hours. Competition has "disciplined" the possible price within a much smaller fence.

So much for one-sided competition* among our strong men. Let us reverse the situation and consider one-sided competition among our weak men.

3. One-Sided Competition; Four Weak Men And One Strong Man

In this situation we have our original Strongman but four Feeblers. In addition to the original Feebler we have Feebler-A, Feebler-B and Feebler-C. Let us again consider the two kinds of cases: (1) where the four Feeblers are equally equal and (2) where the four Feeblers, although unequally unequal, are nevertheless all "weak" men.

1. *Four equally equal Feeblers and one Strongman:* Again this is an improbable (in fact impossible) assumption, but we shall make it again in order to clarify the principle.

It may be thought that the four Feeblers will be a good match for the lone Strongman and that they will be able to drive a better bargain than if the ratio of men were different; but that is not the

*Acute readers will realize that there will be some "trading" and "cooperation" between the unequally unequal three, Strongman-A, Strongman-B, and Strongman-C. This will in fact, affect the whole computation but for simplicity sake that is here being ignored.

case. Strongman will find himself in a most excellent trading position, and, as in the case of Feebler before him, will take full advantage of it.

The four Feeblers can do *nothing* for each other. They are equally equal. They cannot profitably "associate together." Cooperation *between them* is perfectly sterile.

The only cooperation possible of any one of the Feeblers is with Strongman. There is considerable at stake for each of these Feeblers. Whichever one is fortunate enough to make a deal with Strongman can really do himself some good. The minimum benefit to a Feebler is 124 hours (a one hour saving) and the maximum benefit is $76\frac{1}{2}$ hours ($47\frac{1}{2}$ hour saving). None of the Feeblers will be reconciled not to make the most saving that he can.

One of the Feeblers will begin the bidding by offering Strongman a saving of one hour from his solo time of 50 hours to 49 hours. Suppose Feebler-C starts off that way. Then Feebler-B betters the offer to Strongman to 48 hours. Of course, all the Feeblers will outbid each other as long as there is a potential advantage to them. Finally, one of them bids Strongman that he needs to work only $31\frac{1}{2}$ hours. That will leave 124 hours to the Feebler making that bid; see Table 20.

But here the bidding ends. The other Feeblers pick up their saws, hammer and nails and leave in order to build their own houses alone. It will cost each of them 125 hours, which may be compared with 124 hours for the successful bidder cooperating with Strongman.

Again, it is obvious that *being different* rather than being identical is a very profitable thing for any man in society. And, as has been shown earlier, it is also a very profitable thing for society. The preoccupation of uplifters, of do-gooders, of theorists, of *agape* cult members, of politicians and of demagogues about equalizing men, i.e., about egalitarianism, is a preposterous miscalculation. It is not equality that society needs for its existence, but inequality.

2. *Four Unequally Unequal Weak Men and one Strongman:* We come to the probable case, namely, four Feeblers, all weak, but of different degrees of weakness. Their "weaknesses" are assumed to be as follows:

	<i>P e r H o u r</i>	
	<u>Sawing</u>	<u>Nailing</u>
Feebler	25	200
Feebler-A	30	210
Feebler-B	35	220
Feebler-C	40	230

Strongman, we assume, remains on his original basis — he can saw 100 logs an hour and pound 300 nails.

These four men, under our new assumptions, will compete to cooperate with Strongman. By computations identical with those earlier, the result of competitive bidding is as follows:

(a) Feebler-C has reached his limit when he has offered to Strongman only 36 hours work. Feebler-C can go no further because he has sacrificed all his savings from co-operation and must work 124 hours himself under this offer, only one hour less than doing it entirely alone.

(b) Feebler-B, similarly, drops out of the bidding at 34.7 hours for Strongman.

(c) Feebler-A has reached his limit at 33.1 hours for Strongman, and

(d) Finally, Feebler, our original, will better the Feebler-A bid, say, by being prepared to go to 33 hours.

That 33 hours is the best deal Feebler can make for himself; the other Feeblers have frustrated him from making a better deal than that. The worst to which he will go will be $31\frac{1}{2}$ hours (see Table 20).

At what number of hours between 33 and $31\frac{1}{2}$ Feebler and Strongman will reach an agreement depends on their bargaining skill.

Again, the *different* man has been the one who could make a good deal; in this case it was Strongman.* In the previous section it was Feebler.

Note that the range of the possible deal has again been narrowed by competition. Now it is between 33 and $31\frac{1}{2}$ hours for Strongman. Previously, under *isolated* exchange (Table 20) it was

*See previous footnote on page 250.

49 to 31½. The competition of the Feeblers has helped Strongman, not hurt him. Paradoxically, *competition always helps the other man. That is the brotherly love so few people realize that exists in fact in competition.*

Finally, we come to the kind of situation that genuinely is in accord with real life, namely, the determination of the basis of the exchange in real life under full two-sided competition — many differing Strongmen and many differing Feeblers.

(To be continued)

What Is Brotherly Love? Charity Only!

Apparent Ignorance Of Ricardo's Law Of Association

During a life now well past its zenith we have never heard a Calvinist scholar (whether sociologist, political scientist, theologian, economist or historian) mention Ricardo's Law of Association as an explanation of what "holds society together." We consider it strange that what does more than anything else to explain the cohesiveness of society has not been mentioned in any Christian literature that has come to our attention.

What explanation is to be given for that? Is the silence about Ricardo's law a *tacit* denial that it helps hold society together? We doubt it.

Our explanation is that there is practically universal ignorance about this significant, determinative law. Although there may be instances where that law is known to be applicable to international trade (the field for which Ricardo especially worked out his law), it apparently has not been understood as a universal principle controlling *all* human association.

This law which bears Ricardo's name is obviously in harmony with ancient Hebrew-Christian thinking. It is not contrary to nor neutral to Hebrew-Christian ethics; it is a perfect, *rational* formulation of what was delivered as long ago as the time of Moses (1400 B.C.).

Assumptions Underlying Ricardo's Law

Ricardo's law is based on two principles of Hebrew-Christian ethics, to wit, (1) *self-love* and (2) *liberty of the neighbor*.

Altruism—the love of others—is irrelevant to Ricardo's law. The opposite of altruism is self-love—action based on what is good for the self. This harmonizes with what is involved in the well-known rule, Thou shalt love . . . *thyself*—which is an elliptical form of the expression, Thou shalt love thy neighbor *as thyself*. If you do not love yourself, your ethics are not Biblical.

To those who recoil from that plain teaching, we address a question: Why? Do you recoil because you do not believe it is moral to love yourself, or *are you injecting a foreign idea into the situation*; are you *assuming* that to love yourself means that you will injure your neighbor, by violence, theft, fraud?

If that is the case, then the answer is easy: Ricardo's law assumes each party to an "association" is *free* to participate or to refuse. What does that mean? Clearly, it means that there can be no coercion of the neighbor (nor theft nor fraud for that matter) because that is what freedom of the neighbor is—to be noncoerced. When Scripture says, Thou shalt not kill, that means Thou shalt not coerce; and that can be put in positive form, as distinguished from negative, by saying, *Thou shalt leave other people free to follow their own self-interests*. This is the Sixth Commandment in positive rather than in negative formulation.

Attention should be directed to an important error which results from ignorance of Ricardo's Law of Association—namely, that brotherly love is, consequently, defined as being limited to mere *charity*. When that happens—when brotherly love is identified with charity *only*—then the *whole* view of interpersonal relations is slanted, dangerous and un-Biblical.

(1) If self-love is valid, which it is; (2) if self-love is properly a standard for conduct toward the neighbor, which it is, (as indicated by, Thou shalt love thy neighbor as [thou lovest] thyself; (3) if self-love can be manifested in no other way than by each person following his own choices, which Moses's law prescribes; (4) if, consequently, we cannot show love to our neighbor unless we grant him equal liberty to follow his choices, as we should; (5) if, therefore, their freedom is an essential ingredient in our loving our neighbors, which it should be; and (6) if it can be shown mathematically that when men divide

tasks, one specializing on one task and another on another task, that *then* there are great benefits in productivity and welfare, which definitely is the situation, then (7) *why should we not honestly admit that self-love and genuine liberty do more to hold society together than do altruism or the strong arm of the state?*

To dispute that is to dispute the obvious.

Thomas a Kempis's Pessimism On Real Progress

One of the famous medieval ecclesiastics, Thomas a Kempis (1380-1471), lived in a monastery at Mount St. Agnes near Zwolle, The Netherlands.

Recently when examining family graves on the old monastery grounds at Mount St. Agnes I was reminded of a Meditation, about periodic resolutions, by Thomas a Kempis in his famous book, *The Imitation of Christ*. Kempis wrote that (1) if on every resolution we made, (2) if we really lived up to that resolution and if really *completely and permanently* rid ourselves of that sin, then (3) we would be making some real progress. How right he was about the gains that would accrue from thoroughly liquidating a sin rather than never perfectly getting rid of it!

Similarly, we think how wonderful it would be if people would *completely and permanently* get rid of the idea that intrinsically self-love and all gratification of self-love is sin. They may in more lucid moments realize that self-love is not sin, and that it is in fact a great virtue, but they "fall from grace" in regard to this insight. A day or two later they talk sanctimoniously again as if self-love were sin! They have made no more progress than the man making New Year resolutions (about whom Thomas a Kempis wrote) who never really liquidated his inclination to even one specific sin.

It is not self-love that is sin, nor the gratification of a need, but improper methods of gratifying a need—the methods of coercion, adultery, theft, fraud and covetousness.

On Many Friends, a la Schopenhauer

"Nothing betrays less knowledge of humanity than to suppose that, if a man has a great many friends, it is a proof of merit and intrinsic value: as though men gave their friendship

according to value and merit! as though they were not, rather, just like dogs, which love the person that pats them and gives them bits of meat, and never trouble themselves about anything else! The man who understands how to pat his fellows best, though they be the nastiest brutes,—that's the man who has many friends.

"It is the converse that is true. Men of great intellectual worth, or, still more, men of genius, can have only very few friends; for their clear eye soon discovers all defects, and their sense of rectitude is always being outraged afresh by the extent and the horror of them. It is only extreme necessity that can compel such men not to betray their feelings, or even to stroke the defects as if they were beautiful additions. Personal love (for we are not speaking of the reverence which is gained by authority) cannot be won by a man of genius, unless the gods have endowed him with an indestructible cheerfulness of temper, a glance that makes the world look beautiful, or unless he has succeeded by degrees in taking men exactly as they are; that is to say, in making a fool of the fools, as is right and proper. On the heights we must expect to be solitary." [Arthur Schopenhauer, *The Art of Controversy*, pp. 72, 73 (Book IV in *Complete Essays of Schopenhauer*, T. Bailey Saunders translation, Willey Book Company, New York, 1942.)]

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Overemphasis On Charity And Underemphasis On Cooperation In Modern Ethics

The early content of this issue is part of several consecutive issues devoted to analyzing brotherly or neighborly love. This analysis of brotherly love is essentially *rationalistic* — a matter of logic. In *method* it is distinguished from the material presented three years ago (February through May, 1955 issues) which was based on Scripture, and therefore deductive from authoritarian pronouncements; however, the *conclusions* based on logic or on authority are identical.

Beginning with the July issue (1958) and continuing in the August issue an analysis was made of what is known as Ricardo's Law of Association, or his formulation of the law of cooperation. It has been shown how human action according to Ricardo's Law is genuine cooperation, as indisputable as mathematics. Ricardo's law obviously points to a vital phase of genuine brotherly love.

There is a reason why so much attention is here devoted to brotherly love, namely, the brotherly love taught in many churches is exaggerated and unscriptural. The exaggerated doctrine to which

we refer is what goes by the name of the *agape* doctrine of brotherly love. *Agape* is one of the Greek words for love; *eros* is the other. (See 1957 issues of PROGRESSIVE CALVINISM, pp. 101ff. and 181ff.)

The *agape* cult (1) requires that you take a higher standard than self-love as the standard for neighborly love; (2) makes you your brother's keeper in a broad way; and (3) equates *agape* with charity rather than cooperation. The word *agape* is used in Scripture; we are campaigning against a false interpretation of the word.

The issue between the *agape* cult and PROGRESSIVE CALVINISM can be made clear by putting the conflicting propositions side by side:

Agape Cult

Brotherly love is charity.

or

Brotherly love is "from each according to his ability to each according to his need." This is the basic proposition of socialism-communism. In other words, the *agape* cult taught in many Christian pulpits has as its ultimate premise that which is identical with the doctrine of morality of the communists.

Progressive Calvinism

Brotherly love is cooperation.

or

Brotherly love is Ricardo's Law of Association which is based on (1) your own liberty to pursue your own purposes, and (2) your neighbor's corresponding liberty so that he is never coerced, deceived or defrauded by you.*

*In addition, the Law of God requires of you (1) forbearance and forgiveness; (2) *Biblical* charity to help the needy; (3) unlimited "communication" from you to your neighbor for his good, including the proclamation of the gospel. See PROGRESSIVE CALVINISM in February through May 1955 issues.

PROGRESSIVE CALVINISM teaches that you show more brotherly love to your neighbor when you operate genuinely in accord with Ricardo's law (and the premises that underlie it) than when you set out to be your "brother's keeper."

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Even more is it true that Ricardo's Law and the premises that underlie it far better represent Biblical teachings about ethics than any allegation by you to *A* that he is generally responsible for *B* and is his "keeper." It might be defended (although not successfully in our opinion) that brotherly love is *charity by you yourself* to your neighbor; that, and no more. But even if that were indeed true, it would not follow—*could* not follow—that *you* are authorized to require of *A* that he be the "keeper" of *B*. That extension beyond yourself is intrinsically a violation of the Law of God, and is sanctimony.

Conduct in accordance with Ricardo's Law of Association has done *all* the "neighbors" in the world a thousand times more good than the total of the charity exercised toward *some* neighbors, whether in the name of Christianity, or out of generous compassion.

It is not charity which holds society together. Charity is a mere fraction of brotherly love. Cooperation is a much larger fraction.

What Does Equally Equal Mean? (Definitions)

One of the readers of the July and August issues of PROGRESSIVE CALVINISM has been troubled by what can possibly be meant by *equally equal* persons. She says, "I understand what is meant by *unequally unequal*, and by *equally unequal*, but I do not know what you mean by *equally equal*."

We shall define those three terms and a fourth one (which we have not used) which will complete the list.

Let us first consider the *unequal* cases. There are in this major group two sub-classes, namely, the *equally unequal* cases and the *unequally unequal*.

Equally Unequal

Clearly, in both of these cases there must be inequality in the *total*. For example, Brown may have \$100 and Johnson \$200. They are unequal in the *total*.

But there is a sense in which they may be equal in their inequality. We shall illustrate how they may be "equal" in the detailed coins and bills they have. If they are *equally unequal* the denominations of the money they hold will be, say, as follows:

Table 1

Possessions Unequal In Total But Equal In Proportions

	Dollars		Percent of Total	
	Brown	Johnson	Brown	Johnson
Coins	\$2	\$4	2%	2%
\$1 bills	3	6	3%	3%
\$5 bills	15	30	15%	15%
\$10 bills	40	80	40%	40%
\$20 bills	40	80	40%	40%
\$50 bills	—	—	—	—
\$100 bills	—	—	—	—
	<hr/> \$100	<hr/> \$200	<hr/> 100%	<hr/> 100%

The percent of the total for both men is distributed identically between coins, \$1 bills, \$5 bills, \$10 bills and \$20 bills. These men are unequal in total, but the make-up of their funds is the same — *equal*, as we have put it. This is shown conclusively by the identity of the figures in the two percentage columns.

Unequally Unequal

The situation is different if we change the detailed items in one of the columns (namely, Johnson):

Table 2

Possessions Unequal In Total And Also In Proportions

	Dollars		Percent of Total	
	Brown	Johnson	Brown	Johnson
Coins	\$2	\$1	2%	1½%
\$1 bills	3	4	3%	2%
\$5 bills	15	25	15%	12½%
\$10 bills	40	20	40%	10%
\$20 bills	40	—	40%	—
\$50 bills	—	50	—	25%
\$100 bills	—	100	—	50%
	<hr/> \$100	<hr/> \$200	<hr/> 100%	<hr/> 100%

In Table 2 the totals are unchanged from Table 1. In *total* Brown and Johnson continue unequal. But in this case the make-up of their funds is altogether different, as the percentage columns

show. In our terminology, the men are now *unequally unequal*, that is, unequal in the total and further, unequal in the structure making up the total.

Men are *unequally unequal* in talents and actions, as we have shown in Table 2 that two sums of money have two types of inequalities.

In the July and August issues we have shown the following regarding these two types of inequality:

(1) The very existence of society depends on men being *unequally unequal*. Then it is *invariably* profitable for men to "associate" together according to Ricardo's Law of Association, or in more popular language, to *cooperate* together.

(2) Society would, in contrast, derive no profit whatever from cooperation if men were *equally unequal* (as illustrated in Table 1 of this issue) (a) unless the abler man is *compelled* to work longer than previously, or (b) unless he engages in obvious charity — helping his neighbor to his own hurt. Cooperation, then, would result only under compulsion or under charity, which (except when the charity is amply deserved) injures the self-respect of the recipient. ("It is more blessed to give *than* to receive." *Receiving* charity lacerates the pride of the recipients.) Society would be in a sorry plight if its existence would depend only on charity rather than as it does primarily exist, according to Ricardo's illuminating analysis of the "law" of association, which is the really dominant cohesive factor in society.

Equally Equal

This is the term which troubled our reader. But now it should be clear that all that is necessary for Brown and Johnson to be *equally equal* in cash is for the figures for Brown in column 1 of Table 1 to be doubled, in order to equal *in each case* the figures for Johnson. Then the men will be equal in total, as well as in the details making up the total.

Under this situation cooperation, as we have previously made clear, is *wholly and always sterile of mutual benefits to the two parties*.

Unequally Equal

We come finally to a classification which we have not used, namely, the *unequally equal*. This situation would be revealed by the following situation:

Table 3

Possessions Equal In Total But Unequal In Proportions

	Dollars		Percent of Total	
	Brown	Johnson	Brown	Johnson
Coins	\$6	\$4	3%	2%
\$1 bills	14	6	7%	3%
\$5 bills	—	30	—	15%
\$10 bills	40	80	20%	40%
\$20 bills	40	80	20%	40%
\$50 bills	100	—	50%	—
\$100 bills	—	—	—	—
	<hr/>	<hr/>	<hr/>	<hr/>
	\$200	\$200	100%	100%

In this instance the total is equal, namely \$200 in both cases. But the make-up of the \$200 in the two cases is different. This is clearly shown in the percentage columns. The situation is correctly described by the term *unequally equal*.

In regard to this category, the following remarks will be nothing more than a record of what readers will think for themselves.

This would be the ideal society — an unequally equal society! In such society association (cooperation) would be profitable as in an unequally unequal society — *both* parties to *every* transaction would gain (unless there was coercion).^{*} But the merit in this situation would be that *in total* the members of society would be *equal*. There would be no Browns who are half so effective (strong) as the Johnsons. The world would be a paradise! If God had only made men that way, then he would have been a just God!

Being devout adherents of the Christian religion, we rebel against such thinking. We dissent from attacks on the wisdom or beneficence of God. We subscribe to the statement of the Psalmist: "Good is the Lord and full of kind compassion."

Avoidance of Subjectivity In Viewpoint

We are not reconciled to an unequally unequal society in the world because we ourselves might be considered to be fortunately placed in the hierarchy of strength or ability. Readers might think that we or Thomas or Howard are happy about being unequally

^{*}This assumes that men correctly evaluate their true interests, which is not always the case.

unequal because we are one of the strong. Then, so the idea might go, we would be reconciled to the "injustice" of God in the distribution of abilities and honors and power, because, as Marx said, the strong seek liberty and are not interested in equality, *because* they are the gainers, by their native endowments, against the weak; and (if we were one of the strong) then we would be at an advantage which we would surely exploit.

We have a lowly place in the hierarchy. We as all others (except *one* — the one who is the ablest of all living men whoever he may be) have had bitter thoughts that others had it easier, "got the breaks," had better wits, had a stronger body, had a more ingratiating personality, obtained more honors, would probably live longer. As Freud found out about the sub-conscious — *underneath* in every man there is a seething mass of discontent, hatred, envies, jealousies, would-be exploitation. If we are honest in examining ourselves, we are aghast!

And so we endeavored to "settle down" early. We decided we were no brilliant runner as the hare in Aesop's fable. We were at best a lowly, ugly, slow tortoise. And so we have been plodding along — not unannoyed about the brilliant racers who pass us — but reconciled to our lot. Why rebel against the inevitable and inescapable?

We are resigned (although not in a *passive* sense) to our lot in life by self-realism. We (and others) are but weak men, remarkable in a way, but easily destroyed, short sighted, unwise, and in a short space of time we become feeble, ugly, debilitated — *and we die*. The survivors will be obligated to dispose of our bodies rather promptly to avoid unpleasant odors and dangerous consequences to their own health! There is, therefore, no reason for overvaluing ourselves. Our perspective on life has humbled us. We are not disposed to make an attack on the wisdom or fairness of Almighty God.

Impossibility Of Retaining Unequal Equality

But — and this is an integral part of the ideas involved — even if God had made us *unequally equal* — so that society would be *ideal*! — we would not remain in a position of total equality. What we mean by that is that He did not create men with a character which would result in their *continuing* to be equal. This is merely common observation. One man, maybe with great abilities,

is like a grasshopper, in another of Aesop's fables; he is carefree and indolent. Another man, intrinsically no more virtuous, is anxious and industrious; he is, in the category of Aesop a hard-working ant. These two men follow different courses. The consequences must (in the only kind of cosmology that mortal men can understand) be that in the end the two men are not only radically different but also unequal. Their temperament, activities and objectives have made them unequal in total. They could not remain equal in total because they changed so much in the various phases of their persons and personalities. The character of creation results in men gaining or losing, now in one thing and now in another. The individual *totals* for *all* men could not, it appears to us, be expected to remain equal, even though men were originally created equal.

Furthermore, the vicissitudes of life, directly attributable to impersonal natural laws, contribute toward men not being able to continue to be equal. For example, there may be two brothers, identical twins, about equal, both farming. But a cyclone may suddenly destroy the improvements on the farm of one.

It is therefore wholly unrealistic to expect the continuance of unequal equality, even if God had created us all to be equal *in total*. To hope and strive for unequal equality is about as practical as a baby crying for the moon.

The Inequality Of Men Is Not Primarily Related To Adam's Fall

Some readers who consider the world to be "out of joint" because men are unequal may at this juncture have easy recourse to the idea of sin, and especially Adam's Fall. The idea would be that Adam's Fall and men's subsequent sins would explain the inequality among men.

Behind such an idea lies some questionable dogmatization about the cosmology of the world. Everything p-e-r-f-e-c-t until Adam fell, and then suddenly everything just t-e-r-r-i-b-l-e!

The idea would seem to be that the sun once shone just right, always, everywhere and for everybody; or that the rain came just right, always, everywhere and for everybody; or that every wish and every need was promptly fulfilled. That is apparently the concept that some have about the Garden of Eden. But a little reflection will easily convince everyone that such imaginations are unrealistic for this life.

Let us assume a perfect world, a realm populated with a happy people, all equal. In this imaginary paradise the Jones family plans it will go on a picnic on Thursday. In contrast to that the Brown family plans to plant tomatoes on Wednesday and does so. In our "perfect" world the Joneses on Thursday want pleasant sunshine for their picnic but the Browns want a steady and soaking rain for their tomatoes. If the sun does not shine the Joneses are unhappy; if the rain does not fall, the Browns are disappointed.

Maybe the sunshine should follow the Joneses individually wherever they go. Maybe the rain should fall *only* on the tomato field of Brown. A perfect world, according to this view, is a *special-purpose world* — a world in which everybody's individual wish is fulfilled. Further, so the thought seems to be, if the world does not operate to fulfill every individual and passing wish of everybody, then the explanation must be Adam's Fall and the subsequent sins of men.

Everybody has some kind of cosmology, or idea (right or wrong) how the universe is constructed and how it operates. That cosmology can be realistic or fanciful. A religion that links itself to a fanciful cosmology will not be accepted by sensible human beings. The Christian religion will do wisely not to put forward certain ideas to explain about *every* problem that arises, as if those ideas were the magic solution.

Why is it that an earthly utopia, in which the wishes of everyone are fully satisfied instantaneously, cannot exist? The reason is that there is *too great a diversity of wishes on the part of every individual*. Those wishes are in such a state of flux that their variations (among all men) approach infinity. Such diversities of wishes naturally result in differences which are normal, not sinful, but not all satiable. Therefore, desires almost without number will surely be unfulfilled every day in this world, and sin has nothing in principle to do with that.

There is one way in which it might be possible to get rid of these disappointments. That way is not for everybody to become sinless. That will not accomplish the end. An essential prerequisite to get rid of all disappointments and make the world "perfect" — if getting rid of disappointments is the definition of a *perfect* world — is to end all diversity in the world. In regard to people, that would require that everybody would be absolutely alike —

perfectly equal in everything (including age and sex). If there were such perfect equality and equal timing, then it would be possible (although not probable or certain) that there would be perfect *satisfaction* of all wants. Then everybody might want rain on the same day, and they might want sunshine on the next day. If the natural world then conformed, like a compliant creature, to the mass wishes, then we would have a perfectly blissful world!

The demand on the part of people for an ideal world for everybody, at every instant, in every respect, is a utopian demand. When that utopian demand is not satisfied, it is an error to conclude that sin explains the nonsatisfaction. The failure to obtain perfect satisfaction may *in part* be due to sin, but even in a sinless world, *perfect* satisfaction for everybody in *every circumstance* could exist only if there were no diversity among men — could exist only if men were all not only equally equal but wanted to do the same thing at the same time. Those requirements appear to be impossible of fulfillment.

Granting wholeheartedly and emphatically that sin is a grievous cause why people do not obtain maximum satisfaction in life, it should also be admitted that, wholly independent of sin, not every variable individual wish of every man can be satisfied — because the cosmology of the world is such that it is governed by *general* laws (established by God), which preclude particular and variable wishes of men from being fulfilled.

The cosmology of the world — *before* and after sin — must be that God made men infinitely different, variable, *unequal*. If we do not like that, we are merely rebelling against the character of creation. If we hold critical views of the variableness and inequality in everything in the world, then we are disputing what Moses wrote long ago, namely, that "God saw everything that He had made and, behold, *it was very good*" (Genesis 1:31). That view of what He had made must have been in error!

Sin permeates every human thought, word and deed, but it is not desirable to overdo the use of sin as an explanation for every disappointment regarding what is not spontaneously available in response to our specific desires. We should not expect so much. It is impossible even to imagine intelligently what a world would be like which would respond favorably and at once to every inclination that we have. Such a world would be chaos, because men's

wishes are too many and too variable and too un-timed not to conflict with the wishes of others.

If our memory serves us reliably, Christ did not once use Adam's Fall to explain anything related in the four gospels. Further, if our memory again serves us correctly, Adam's Fall is not mentioned in Scripture between Genesis and the Epistles of the Apostle Paul. Fifteen centuries in Biblical time without reference to the Fall is a long time.

Inequality is the result of creation and not of sin.

Sin may sometimes increase inequality.

But sin probably as often increases equality by bringing everybody down to a lower level, thereby making everybody less unequal, or in other words, more equal.

The sin factor is merely a plus or minus in the basic situation — the character of creation, which is infinitely diverse, *consequently involving every possible kind of inequality.*

The Dilemma Of God: Society Or No Society

The word *dilemma* in the title requires qualification.

We do not accept the idea that God would ever be in a state of uncertainty or frustrated by a dilemma. Our finite conception of an infinite God involves us in imperfections and contradictions of thought.

Nevertheless, having no more than a finite rationality to assist us in understanding the cosmology of the universe, consideration of the "problem" of God in regard to what kind of human society He would create compels a finite human being to think in terms of what God "could" rationally do and what He "could not" rationally do.

In one of his books Sir James Jeans has written something to the effect that if there is a God, He is a marvelous mathematician. There is a certain inescapable logic in mathematics, and if simple mathematics are not true, or rational, then rationality is at an end. We assume here, disregarding that God is supra-rational as well as rational, that as far as mortal men can understand or "know" God, He must be interpreted in our own rational terms.

Let us pick up the "reasoning," *after* the creation of the physical, vegetable and animal world. How must God then have worked on the problem of the kind of men to be created?

That earlier creation had not provided rational and cooperative creatures. It was a world of brute survival of the fittest. No forward planning or calculation appears to be made by any plant or animal. If plants and animals think, as we think of *thinking*, then ordinary men are not able to comprehend it. If animals think, nevertheless we consider such thought different from human thought, and so we give it the name of instincts.

In regard to men God had, it must seem to human thought, only one of two alternatives, namely, (1) men would be equally equal and consequently there would be no human *society*, or (2) men would be unequally unequal and consequently there would be human *society*. By society we here mean active human cooperation and association.

The word *would* in the foregoing paragraph might well read *could*. Then the statements would read: if men were created equally equal, there *could* be no human *society*; and if men were created unequally unequal, then human *society* (that is, profitable cooperation) *was inevitable*.

The horns of the dilemma of the Creator then were (1) to make men unequal but living in society together, or (2) to make men equal but not living in society because there would be no *mutual* benefit possible from it. There were and are no other alternatives. The choice was and is *either/or*.

Common observation tells us that the character of our human existence demonstrates that of the two choices open to Him, God decided to make men *unequally unequal*, and *consequently* motivate them to *cooperate* and so establish what we know as society.

The mechanism of cooperation had to possess something in it that spontaneously motivated men to cooperate — that is, to associate together (as according to Ricardo's Law of Association). That spontaneous mechanism was a combination of the urge of self-love, plus the obvious profit from division of labor and genuine cooperation. Men *cooperate in society* because it is *mutually* advantageous. It is mutually advantageous to cooperate *because* men are unequal, different from each other. The price men *must* pay, according to the creation by God in order to have a cooperating society, is unequal inequalities among them.

The very existence of society, as we think of a cooperating

group of human beings, depends completely and absolutely on *inequality*. Wipe out the inequality and then no *voluntary* society is possible. It is not even thinkable any more.

Some people may think that there are, however, two different alternatives: (1) no society at all, or (2) a society based solely on coercion. Of course, a society based on coercion is not voluntary, nor if there is coercion, can there be equality. And so the statement stands that the *very foundation of any voluntary society must be inequality*. Any coerced progression toward equality will impair society and impoverish it; and any uncoerced progression toward inequality will strengthen society and enrich it.

Every time that a moralist declares that equality *as an end result* is or should be the goal of human conduct and morality, he is proclaiming a false and evil doctrine. All that he should proclaim is that men should have *equality of opportunity** in order to become more unequal, and such inequality should be the goal. The proper purpose of morality should be (1) freedom, plus genuine goodwill and assistance to others to become *better*, not to become *equal*. To *become better* aims at no vicious egalitarianism or holding-down of anybody. Any goal of *equality* has a ceiling, namely, the capacity of the least competent. Any goal to become *better (unequal)* has no ceiling; the "sky is the limit."

Morality then is not *basically* charity or sentimentality or liking somebody, but is liberty and self-development — *but without violence, fraud or theft*.

The rewards of that liberty and self-development *cannot in a voluntary society accrue only to the benefit of the person himself*. That is IMPOSSIBLE. The benefits are diffused among all men. We plan to develop that idea further later.

The program to annul by human action the inequality created by God is also a vicious program. It violates a principle thoroughly rediscovered by modern psychologists, namely, that people should not be pitted against each other, but should have an altogether different standard.

Imagine a family with two daughters with only a small age differential. Father and mother can in such a household compare Sally and Myrtle in all their achievements and chide Sally to equal Myrtle and Myrtle to equal Sally.

*Even *equality of opportunity* is not fully attainable, but should be vigorously promoted.

Inescapably the consequences, though well intentioned, will be bad. The goal set is equality. That goal *cannot* be achieved. Either Sally or Myrtle will eventually come out ahead. The winner will know it and be tempted to be arrogant. The loser will know it and will be induced to be bitter, envious, and maybe dejected and demoralized. The morality of the striving for equality between Sally and Myrtle is simply wrong. As the expression goes: all comparisons are invidious.

The parents of Sally and Myrtle should have a different goal — not equality but inequality. Each girl should be urged to outdo her own past performance. If that puts one sister far ahead of the other, there is no loss from that. The evaluation of the sister who achieves less should not be poisoned by an unfavorable comparison. Instead of having identical or equal daughters, the family will be better off having different and unequal daughters. Of course, the better each girl does in her respective field, with her talents whatever they may be, the better. Just as this family will be damaged by setting standards of equality and mutual rivalry, similarly society will be damaged by setting standards of equality and mutual rivalry.

If then God was faced with a dilemma when He created the world — to make men equal and not have society, versus to make men unequal and have society — then we should all be thankful that He had wisdom and the mathematical knowledge of the benefits for men from inequality and mutual cooperation so that He made men unequally unequal.

The foregoing is merely an attempted rational, finite, creatural tracing of what would appear to have been the thoughts of God in regard to the creation of man. It is pitifully limited in scope, but within the range of what is considered human reason no other view is possible. Ricardo's Law of Association is either incontrovertible mathematics, or human reason does not exist any more.

We are opposed to irrationalism. We do not dispute mathematics. We do not dispute, either, what can be seen on every side to be reality. We do not dispute what Scripture plainly teaches, either. We accept the common result of mathematics, experience and authority.

That common result is that God showed infinite wisdom in making men *unequally unequal*.

God As An Unjust Creator!

Karl Marx apparently hated God as revealed in the Hebrew-Christian Scriptures. God has made men unequal; He had made some men "stronger" and some men "weaker" than others. Freedom, according to Marxian thought, was an evil because it created the opportunity of the strong to exploit the weak. God, then, having made men unequal was unjust. Further, all human efforts should be designed to undo that inequality. We all should undertake to be our brothers' keepers. We should so live that there should be an equality established by the rule, From each according to his ability to each according to his need.

If the idea is correct that it is *per se* unjust to make men unequal, then Marx was undoubtedly right that God gave conclusive evidence by His creation that He is an unjust God, for it certainly cannot be disputed that men have been created *unequally unequal*.

If morality consists in making men equal (thereby presumably manifesting brotherly love!) and if immorality consists in making men unequal or tolerating it, then the conclusion is inescapable that God failed on the job of creation. Why did He not set up a world of *equal men*!

What is surprising is that many moralists accept Marx's premise that *equality is the ideal goal and that true morality will strive to establish equality*, but that these same moralists do not know that they thereby in effect accuse God of being unjust and wicked. Marx was in this (as an exception) a consistent thinker. He realized that his demand for equality was an open attack on the righteousness of God. Preachers of the gospel should not try to hold onto two ideas that cannot be reconciled: (1) that inequality is an evil, but (2) that God is nevertheless righteous and just.

As a significant reform in so-called Christian morals we submit for consideration that God be considered to have been wise and just when He made men unequal, and that final equality be abandoned completely as a goal of morality. The talk about equality is evidence of moral and intellectual "confusilation."

The Absurdity Of Being Our Brother's Keeper

If it is correct that God was wise when He created men unequal, and if equality in end result is not a suitable moral goal for society, then one of the silliest ideas in the world is that we are our brothers' keepers.

This idea that we are our brothers' keepers stems from Cain, the first murderer. Probably more people accept Cain as their law-giver than Moses. We are emphatically with the minority.

Why should we be our brothers' keepers if human inequality is a good thing for society, if it is in fact essential to human society? Are we to be our brothers' keepers in order to help them be equal or in order to promote their being unequal?

Tacitly underlying acceptance of the idea that we are our brothers' keepers is the assumption that our efforts will be in the direction of promoting equality.

But if that is not the implicit assumption underlying the idea that we are our brothers' keepers, then what? How do we successfully undertake to be our brothers' keepers by making all of them more unequally unequal? That promotion of unequal inequality is what helps them and what helps society. That promotes association or cooperation, according to the Law of Association, formulated by Ricardo.

We might be our "brothers' keepers" if we had a uniform pattern into which we could mold them. We might have a moral tool and die shop as modern plants have. Dies are made which determine the shape of a piece of sheet metal. Next, that die is put in a machine and then the machine stamps out thousands of identical pieces. What is the "die" we wish to establish in order to form and mold men so that they are "equal"?

But if we are to help each man fashion his own individual life so that he develops his own special characteristics, how can we possibly have the time to do that artistry? We can no longer be a moral mass producer but must become an individual artist; "keeping" our individual brother is a unique task like a painting by Leonardo da Vinci. For how many people have we the time to be their "keepers" in the sense of helping them be *different*, and *individualistic*, and *unequal* to other individuals?

And what will happen if both A and B undertake to develop the individual and unequal personality traits of C, and who is to

decide whether *C* will develop his own personality, or whether *A* or *B* will determine that. The idea that we are our brothers' keepers is the acme of impertinence and absurdity.

There is also a certain arrogance in undertaking to be our brothers' keepers. What about a poorly endowed man; is he to undertake to be the keeper of an especially richly endowed man? If we are our brothers' keepers, practically every attempt to "keep" our "brothers" is likely to be resented. If *A* thinks he is more capable of taking care of himself than *B* is capable of doing that, because he (*A*) considers *B* to be a less wise and less competent man, how sympathetic will *A* be to *B*'s attempt to "keep" him (*A*)? Everybody who has self-respect will resent the attempted "keeping" by another; he will consider the attempt an intrusion in his privacy. If there is to be "keeping" of some by others, then the unpleasant assumption is that those who are to be "kept" are inferior and that those who do the "keeping" are superior.

Furthermore the idea of being our *brothers' keepers* suffers from a serious terminological deficiency. The term should, obviously, be broadened. It should be our *brothers' and sisters' keepers*. There is no reason why, if I am Mr. Gregory's keeper, I should not also undertake to be Mrs. Gregory's keeper. Why should my interest be limited to Mr. Gregory? Further, I can understand that if it is sound for Mr. Morton to be my keeper, then it is also the duty of Mrs. Morton to be my keeper. If we are "keepers" of each other, then there is no sound reason to be discriminators against the opposite sex.

Trusting memory again, we do not remember a single instance after Cain that there is mention in Scripture that we have an obligation to be our brothers' keeper.

Easy Explanations Of Praxeological Problems — The Kangaroo Jump

None of the classifications of the sciences into groups is more useful than the classification, (1) the Natural Sciences and (2) the Praxeological Sciences.

The praxeological sciences are the sciences of *human action*. They are the sciences involving morality of conduct. They are the sciences in which men act as free beings who have a will of their own and who can influence the course of events. Where human

choice and action begin, *there* is the significant dividing line between (1) what is human and (2) the rest of creation.

The popular name for the praxeological sciences is the social sciences. It is not the *social* aspect that should receive emphasis in the name for the sciences involving human beings, but the *human action* aspect.

The praxeological sciences include social action. Social action is only a phase of the praxeological sciences; *human action* is genuinely broader than *social*. A lucid understanding of the differences between the praxeological and the social will result in the term, *praxeological sciences*, eventually superseding the term, *social sciences*.

Because the epistemology of the sciences of human action is different from the epistemology of the natural sciences*, the methodology of the praxeological sciences must be different.

There is an unsatisfactory method of explaining events which occur in the field of the physical sciences, but that unsatisfactory method is even more common in the praxeological sciences.

The method to which we refer we shall designate as the "kangaroo jump" method.

The *cause* of some event is seldom simple. Furthermore, there are always a series of causes. Assume that a house burns down. The "first" cause was a fire. An antecedent cause was defective wiring, or carelessness with matches, or a stroke of lightning. The defective wiring in turn may have been caused by a careless workman or by mice nibbling on the wires; the carelessness with matches in turn may have been caused by a man being drunk; the damage from lightning may have been caused by the lack of lightning rods or atmospheric friction, or whatever other cause one may properly select. *Causes* then occur in sequence like links in a chain.

Consider a toothache. That may be described as being caused by tooth decay, by there being a cavity, by eating too many sweets, by not brushing the teeth properly and not having had them cleaned, by inadequate diet currently or as a child, etc. Dentists will be able to give the exact links in a chain of causes in scientific terminology and with scientific accuracy.

*See Mises: *Theory and History*, Yale University Press, New Haven, 1957.

The ultimate cause of a toothache can be considered to be certain complex physical laws; or even beyond that, the Creator of nature, God himself. Shall we say, God is the ultimate cause of your toothache, indeed of everything? That idea is peculiarly Calvinistic in that Calvinism stresses the predestination of all things.

All explanations can be short-cut then by simply saying, God is the cause. That is the "kangaroo jump." All intermediate causes are jumped over.

This easy explanation, true as it may be, has not done the Christian religion much good. It has made Christianity obscurantist. To be obscurantist is to be neglectful of helpful inquiry and analysis. Mankind, to get along well, needs to know intermediate causes as well as the Ultimate Cause. It is not adequately helpful to ascribe toothache to God as its cause. Auguste Comte rather devastatingly ridiculed the propensity of religion to ignore intermediate causes, and blithely say that God is the explanation for some event — such as a plague, which is directly caused by germs spread by rats and fleas (as the bubonic plague).

Whatever is true about any obscurantism of religion in the physical sciences, is even more true in the praxeological sciences. In the field of human action it is easy to ascribe events to God — to His favor or to His wrath. We are not disputing that as being the ultimate cause, but we question the wisdom of employing only the "kangaroo jump", *whenever there are intermediate causes*. The error is not in acknowledging the ultimate cause, but in being indifferent to the intermediate causes or being in error about them.

Consider the very fundamental question in the praxeological sciences — what holds society together? What, considering man's total depravity, keeps society from falling apart and being suicidal?

To that question the Christian Reformed Church has found the answer by a "kangaroo leap." Society, the Christian Reformed Church has decided in solemn synod assembled, is held together by the "general operations of the Holy Spirit," the third Person in the Trinity.* The church has answered this question, as in fact every praxeological question can be answered, namely, the reason why society holds together is that there are "general operations of the Holy Spirit."

*See July 1957 PROGRESSIVE CALVINISM, pages 215ff.

It would be, in our opinion, as helpful to explain a toothache or the relief from toothache by saying that it was *caused* by the "general operations of the Holy Spirit," as it is to say that society is held together by the "general operations of the Holy Spirit." The answers are equally obscurantist.

What are the intermediate causes for society not falling apart? Can the *causes* be listed in some sequence that is helpful? Here is our list:

1. Acts of self-determination by individuals, which are usually but not always motivated by considerations of what is beneficial to the self; in one phrase, honest *self-love*. We have explained that in detail in five preceding issues (April through August).

2. Inequalities among men, or more specifically, unequal inequalities, as explained in the two preceding issues and in this issue.

3. The revealed Law of God, especially, Thou shalt not coerce, commit adultery, steal, lie, covet; these laws to be enforced through the public apparatus of the state, or enforced by public opinion. (The pursuit of self-determination requires a restraint, namely the prohibition of injuring the neighbor.)

All three items mentioned are *laws*. They are *principles*. They are not mystical. They are all in the practical field of *human action* rather than abstract theology.

It is not known how many in the Synod of 1924 of the Christian Reformed Church really understood Ricardo's Law of Association. If anyone did, he could have made clear how noncoercive and honorable self-love and inequality, *which two together yield mutuality*, hold society together. He could have explained how society is benefited by the unequal inequality among men. And he might well have urged not nullifying any of the Laws of God.

In regard to the Law of God mentioned in number (3) in the foregoing, the emphasis can be on the apparatus of the state, as is done in the Belgic Confession (see p. 217ff. in the July issue) or it can be on the *real* thing — namely, the Law of God itself. In the course of time the Christian Reformed church has in some of the most significant areas of human action nullified or neglected the application of those laws (in the areas of coercion, sex morality, fraud and theft). In proportion as self-determination

and self-love have fallen under suspicion and disrepute, the Law of God has simultaneously been abridged. The deviation from reality is along the whole line, in accord with a general system of thought.

In PROGRESSIVE CALVINISM we aim at holding strictly to Scripture. Self-determination, the inequalities of creation, and the Law of God are the three immediate factors holding society together. Oh yes, ultimately, too, the "general operations of the Holy Spirit."

Some Aspects Of Laws Of Human Action

I

There was a time when natural events which were not understood were considered to be evidences of special divine intervention in the affairs of men. Later the phenomena were discovered to be the result of natural laws; the phenomena became understandable and were no longer mysterious. The idea of *laws* thus became important in the natural sciences. The idea of *laws* in the praxeological sciences came later.

In the earliest days the idea of *law* in the praxeological sciences was probably based only on the idea of their immediate divine origin and imperative. The idea of praxeological laws as being "autonomous" — existing in their own right — independent (shall we say) of direct action by God is probably of later origin. In fact, emphasis on the existence of praxeological laws as *laws* is relatively modern.

Regardless whether the law brought down from Mt. Sinai by Moses is of divine origin, it should be good enough to survive on its own merits. It should not need the imprimatur of God to make it worthy of obedience; it should be sufficient to be universally valid even though it were detached from the origin described in Scripture.

On that basis the Law of Moses is valid for two reasons: (1) its origin from God and (2) its correct formulation of rules for proper praxeological conduct, that is, it describes cause and effect in the field of human action.

II

The basic law of human action is self-preservation. The validity of that law is not questioned even by the sanctimonious. Re-

formed churches of Dutch origin (for example, the Christian Reformed) accept the Heidelberg Catechism as one of their doctrinal standards. The lesson for Sunday XL in the Heidelberg Catechism is on the Sixth Commandment, Thou shalt not kill. The first paragraph of the lesson reads in part: "moreover, that I harm not myself nor willfully expose myself to any danger." Obviously then a conforming member of a Reformed church will be obliged to agree that self-preservation is a virtue.

Self-preservation is obviously selfish, or at least it is manifestation of self-love. Self-love then is also a virtue.

In addition to the approval given by religion to conduct designed to accomplish self-preservation, there is also the confirmation of reason. Carelessness about self-preservation is universally condemned as inexcusable.

III

But when men are comfortably on the safe side of the ragged edge of survival, not on the very edge of precarious self-preservation, then they can be concerned about their *welfare*.

To be concerned about your welfare, or your comfort, or let us go further and say, your pleasure — to be concerned about *that* does not appear to many people to be so virtuous or defensible as to be concerned about self-preservation.

Nevertheless, the ideas can be different only in degree. If self-preservation is a virtue, then the promotion of welfare, comfort and honorable pleasure is also a virtue. In our estimation they all have merit.

This is not hedonism in its customary unfavorable sense; nor is it eudaemonism in its less-unfavorable sense. This is merely being concerned about obtaining more of that which we prefer and less of that which we do not prefer. There can intrinsically be nothing sinful in working so that we substitute what is more desirable for that which is less desirable.

Self-love is the foundation and the standard for Christian ethics. We are required to love our neighbors *as ourselves*. Society, although it may sound paradoxical, is not so much held together by our love of our neighbors as by our love of ourselves. It is only because, under conduct in accordance with the Law of God, our pursuit of our self-interest *also results in mutual benefits* (not charity) for our *neighbors* that our neighbors do not object to our

pursuit of our self-interest, but (if they know the score) are happy about our action to promote our self-interest; consider Ricardo's law. If that *mutuality of benefits* did not result from human co-operation (because men are unequally unequal), then self-interest could and would not be a cohesive factor in holding society together. Then instead of this "praxeological law" some divine intervention of a special kind would need to become operative, for example, the "general operations of the Holy Spirit." Fortunately, Ricardo's Law is operative. Society "naturally" hangs together without undue burden on Almighty God. The reason is that Ricardo's Law has as its intrinsic character *mutuality of benefits*.

IV

Still the basic praxeological law has not been perfectly formulated. That law is not self-preservation, nor self-love, nor well-being, nor welfare, nor comfort, nor pleasure; it is, instead, self-determination. Self-determination is broader than self-love. Self-determination means *your own values*. Your own values, according to which you act, need not be for the self; often they are not. They are instead sometimes, in an unalloyed sense, for others and so are pure altruism. Nevertheless, the *decision* was yours; *you* determined what your action was to be. That self-determination is the quintessence of self-love. Men prize more highly the possession of self-determination than they do action exclusively for self.

Liberty (self-determination) then, is man's greatest basic value. Self-love must be equated with self-liberty. And if you really *love* your neighbor, then you will give him *his liberty* equally. In *that* sense what Calvin wrote about liberty, in a narrow framework, has broad meaning. That is the first and most important part of brotherly love. The rest is merely supplementary — like a lean-to shed built against the side of a house.

V

Unfortunately, men are loaded down with sinful inclinations and are steeped in a mass of grievous sins. As a man's shadow follows him, so sinful conduct follows (unnecessarily and wickedly) behind proper self-preservation, self-love and self-determination. These sins are of five kinds, easily mentioned — coercion, fornication, lying, stealing and coveting. It is not really possible to add to the list, nor to subtract from it. Genuinely liquidate those sins

interpreted in a broad sense out of your conduct and you are "free" again in the scriptural sense. Nobody ever quite accomplishes that.

Because people generally and because some people especially will not restrain their inclination to coercion, fornication, lying, stealing and coveting, a group-apparatus is eventually set up, known as the state, which threatens punishment for perpetration of those sins. Fundamentally, however, we retain our liberty if the state does no more than that. We are then only prohibited from abusing our liberty. Where the Law of God prevails over men individually and over the state as a collective unit *there* is liberty.

VI

There are no *special* laws of morality unhinged from other laws. What are called laws of morality are merely laws of cause and effect in the field of praxeology, in the field of *human action*. The Second Table of the Law of Moses contains merely laws of cause and effect.

1. *Thou shalt not kill*, that is, engage in violence or coercion of any kind. Christ said, "All they that take the sword shall perish with the sword" (Matthew 26:52b). In short, violence begets violence. If I may employ coercion, you may (or eventually will) employ coercion. Freedom and cooperation — the bases of society — are thereby destroyed. This law, *Thou shalt not kill*, is the most comprehensive rational law that exists in the field of human action.

2. *Thou shalt not commit adultery*. Too much sex is debasing and debilitating. For real welfare men must rise above mere breeding operations. One woman and the children he may beget by one woman is all the time that should be devoted to sex by a man who wishes to use his short span of time in this life well. To go beyond that is damaging to the extra woman or women involved, damaging to any children begot by them, and damaging to one's own wife and children. Cogitate and reason and calculate all you will, no man is smart enough to escape the conclusions Scripture enjoins on us. All vigorous societies have been based on such sex principles or close approximations to them. *Restricted* sex activities motivate people so that their well-being is increased.

3. *Thou shalt not steal*. A man's most vital earthly possessions are his mate and his property. Those two possessions

pretty much determine his satisfaction about his "welfare." Take either away, and he will again become a barbarian. If property is not safe, if ownership may be annulled, if by group legislation the same result is accomplished as is provided by armed robbery, then "society" will fall apart. Men will not be motivated any more to great efforts, nor will they remain passive and cooperative. Stealing (in whatever form) is not bad only because God said it is bad; it is bad because the *effect* (by the laws of cause and effect) is destructive.

4. *Thou shalt not bear false witness*: If lying is permitted or engaged in frequently, society is also destroyed. Man cannot live for the *present* alone. Most of his activities are related to the *future*. Every contract made is expected to bind future conduct. If a signature or a pledge is worthless — if the other party is lying — society cannot really function. *Truth* is an essential to a good society. Again lying is not to be condemned only on the ground that God forbade it; it is also to be condemned because it is eventually contrary to purpose.

5. *Thou shalt not covet*. This commandment is not so much in the field of *action* as are the foregoing; but it sweeps the whole psychological front. It condemns the motivations underlying coercion, adultery, theft and fraud. It would be strange to condemn overt acts, but be silent of the vicious origin that makes a man act as he does. (Moralists today pander more to the sin of covetousness than to any other sin.) A poisoned mind is no good. "As a man thinketh in his heart, so he is." Cause and effect operate again. A man who gives way to covetousness will either go all the way and sin openly; or he will be handicapped by having a split personality, because of frustration between his thoughts and his actions.

It does not appear possible for secular thought wisely to reject these commandments. The question of their origin — that is, from God — may be viewed skeptically by skeptics, but the content of the laws are as indisputable as are the laws of gravity.

VII

The laws of morality (praxeological laws of human action) differ, however, in certain respects from natural laws. Solomon called attention to a basic difference when he wrote (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.

Solomon is saying that cause and effect have a different time factor in the praxeological field than in the nonhuman field. In the human action field consequences are like a delayed-action bomb.

If you push a silver dollar to the edge of a table, when it is more than half way over the edge, it immediately tumbles to the floor. The effect is prompt. Such promptness in effect does not exist in the field of morality. Because there is that time factor, people look at sin more favorably. If the effects of sin were instantaneous, sin would disappear in a short period.

The reason for the delay in the consequences of human action are varied. These are worth listing: (1) *secrecy*: if you wrong your neighbor, it may not be known to him; consequently he will not react; the penalty to you will come first from his reaction; when he nor others know you have wronged him, he nor they visit consequences on you; examples of what is involved can be imagined by readers; however, as the expression goes, "murder will out"; eventually what is secret is likely to become public; there are classic cases in history; (2) *fear*: you may be powerful, and your neighbor may be weak; he might react at once, but he withholds his reaction until the time is favorable; he might wish to kill you at once, but for his own safety he may wait for a lonely spot and a dark night; if you wrong one man successfully, you will later wrong others; eventually they will "gang up" on you, but in the meantime there is a delay; (3) *surprise*: your neighbor may be so astonished about your wronging him that he cannot make up his mind at once what to do; he may dissemble his feeling until he has thought the matter over thoroughly; (4) *calculation*: he may say to himself that he needs a lot more information before he reacts; (5) *forebearance*: he may be a sagacious and forbearing man, knowing that retaliation and vengeance are generally unsuitable and dangerous policies; but after he goes "two miles" or "three miles" with you, and you still continue to injure him, he will eventually certainly take decisive action; the consequences to you may be late, but they will be final; the slow and calculating men are likely to be thorough; it will then be really too late for you; you will, figuratively, be pulled up on the gallows and you will swing in the wind; (6)

personal affection or old-time friendship: under such circumstances men may be forgiving and long-suffering, but ties of affection are eventually broken; human endurance is not great; (7) in addition, there are factors of *pride, fortitude, ulterior designs, confusion*, and many others.

The fact is that causes and effects in praxeology have a special link in the chain — the link of the human mind with all its characteristics. Therefore, it is inevitable that "sentence is not executed speedily" in the field of praxeology. But cause and effect are not annulled! Eventually . . . !

VIII

A second difference between natural laws and praxeological laws is that the former have greater uniformity and consequently have a reliable predictive character. It is otherwise with praxeological laws; however, they do possess uniformity; (in Scripture at least they are given predictive standing and reliability).

If you push a silver dollar to the edge of the table, it *always* falls; or, at least, that is the way we regard it practically. But if you burglarize your neighbor's house, wearing a mask, with silk gloves to leave no finger prints, when your neighbor is away on a long trip, and if nobody else is around, then the penalty in the form of alarm, arrest, trial, fine or imprisonment may be escaped. Cause and effect seem to have failed.

But Scripture is emphatic. Neither isolated sins nor small sins are unpunished. *Eventually*, so Scripture teaches, the penalty is there — *in one form or another*. If Scripture is right about that, then rules of morality are predictive as well as are the rules of physics, except that timing and character of punishment are more variable.

We accept the predictability of moral laws as completely as we do physical laws.

The value derived from knowing laws rests largely in fore-knowing consequences. It is for that reason that laws — physical or moral — are useful.

IX

Physical laws are based on observation. Moral laws are based on analogy *and* observation. We would not know how Pierce will react if we did not have an idea how we ourselves would react if we were in his position. A man, therefore, is astute in the praxeo-

logical field, in proportion as he knows himself; if he really understands his own motivation without self-deception, he will be able to read other people's minds. The Greeks were wise when they taught, "Know thyself," although the phrase may have meant something different for them.

Observation must supplement self-knowledge. By observation one observes how others differ systematically from the self; if those differences are allowed for, then prediction becomes rather reliable.

Robert E. Lee is said to have appraised correctly the character of his classmates at West Point. Later in the Civil War he anticipated (forecast) correctly the moves those men would make while leading armies against him. He said to himself: "This man has such abilities, and he is timid. Therefore, this is what he will do." Or: "This man has these abilities, and he is rash, and so this is what he will do." Lee had extraordinarily clear insight. He usually predicted correctly.

However, perfect predictability is not possible in the praxeological sciences.

X

What is the basic law of praxeology? What outranks everything else — love, hate, compassion, lust, greed? What is the law which is determinative with other laws being only moderative?

That law is self-interest, or more broadly, self-determination. The famous economist, Eugen von Böhm-Bawerk, wrote (our italics):

. . . Our knowledge is only patchwork at best, and must always remain so. But of the classical theory [of economics] this characterization was particularly and emphatically true. With the insight of genius it had discovered a mass of regularities in the whirlpool of economic phenomena, and with no less genius, though hindered by the difficulties that beset beginnings, it commenced the interpretation of these regularities. It usually succeeded, also, in following the thread of explanation to a greater or less distance from the surface toward the depths. But beyond a certain depth it always, without exception, lost the clue. To be sure, the classical economists well knew to what point all their explanations must be traced — *to the care of mankind for its own well-being*, which, undis-

turbed by the incursion of altruistic motives, is the ultimate motive-force of all economic action. [—Böhm-Bawerk, "The Austrian Economists," *Annals of the American Academy of Political and Social Science*, January, 1891.]

This "care of mankind for its own well-being" — this self-love — which Böhm-Bawerk declares must be the starting point to which all economic explanations must be traced, is not limited to economic actions only but should be extended to all actions. Every religious action of a man is related to his own *well-being* in some sense or other.

But this pursuit of our *well-being* is not merely an objective. There is also the question of the means to attain that objective. When the question arises *how* to promote our well-being, we immediately face the question of costs. In a sense we can just about get anything, if we are willing to pay the price or cost of getting it. For example, an education could be got by most people, if they were willing to make the sacrifice in the form of effort, money, time, postponement of marriage, etc. But many do not value the objective higher than the cost to them.

Every attention we give to well-being is then accompanied by attention to costs. It is the *net* benefit that we may get which is our prime consideration. We may wish to obtain objective *A* which has for us a value of 80 units, but the cost to get *A* may be 75 units; the net is only 5. We may wish to obtain objective *B* which has for us a value of only 30 units, but the cost may be only 10 units; the net is 20. In such cases we would abandon objective *A* despite its gross value to us, because its net value is smaller. We would select objective *B*.

But again the whole calculation is "selfish." The moment *costs* are considered — what else can we mean except costs *to us*? It is the self again which is the basis of the evaluation and the motivation. By measuring value to us of the gross yield, and of the cost, and of the net yield we have done one simple thing, we have used *our own values* as the standard of calculation.

Here, of course, it is possible that the gross proceeds may not be for ourselves; our objective in a specific case may be altruistic; but whether we decide to go through with that action depends on two calculations we make — the value of the objective in our

evaluation, and the cost of obtaining that objective in our evaluation.

Man is finite. He cannot have all that he wants. He must select. He selects what will give him the most — *net* — that is, gross minus costs. Every part of the calculation and the decision is based upon a self-determination, a liberty, and a center of gravity — the self.

Sin *per se*? Not according to Scripture and common sense.

Sin enters the situation when there is something in the means that is wrong — when there is coercion, adultery, theft, fraud, covetousness.

Karl Marx As A Thinker

Moses lived 1,400 years before Christ. Karl Marx lived 1,800 years after Christ. The spread in time between Moses and Marx was 3,200 years.

Many attacks have been made on the Law which Moses brought down from Mt. Sinai. Some of these attacks have been agnostic or atheistic, in regard to the First Table of the Law. Other attacks have been made on the Second Table of the Law. These attacks have generally been resentful that the Second Table of the Law has required a certain kind of conduct of men. The objectors were violators of the Law and defensively endeavored to defend or excuse their violation of the Second Table of the Law. These objectors to the Law had a guilt complex; their attack was based on that psychology.

An altogether different attack can be made on the Second Table of the Law, namely, that *that law itself is evil*. The attacker in this case is not a defensive violator of the Law, suffering from a guilt complex, but a judge who arrogantly appraises and disagrees with the Law.

It is interesting that nobody undertook *basically* to reject the Second Table of the Law until as late as 3,200 years after Moses, that is, not until Karl Marx. Marx of the nineteenth century rejected the whole morality of the Second Table of the Law which Moses declared, in the fifteenth century before Christ, came directly from God. Marx was not a petty critic; he put the axe to the tree; he scornfully rejected the morality proclaimed through Moses.

A considerable vogue has been developed for the Great Books of all ages. The word *great* in this connection does not mean *good*; instead it means great in what is evil as well as great in what is good. In that sense Marx must be called a great thinker — great in evil and in fallacies. He has in his ethics more followers — inside the churches and outside the churches — than have Moses and Christ.

Marx was an atheist and members of the various churches condemn him for his atheism. It could, however, be argued that Marx's atheism was not an integral part of his social philosophy. But there is a connection between the two, although of a rather different character than is generally accepted.

The really significant part of Marx's thinking is his sweeping rejection of every commandment in the Second Table of the Law.

Marx rejects self-love. The Law which Moses proclaimed was based on the assumed *validity of self-love*.

* * *

(This completes for the time being our rational consideration of the Law of Brotherly Love, and Marx's allegation that liberty is not a good thing because it is good only for the strong and not for the weak. We hope to give further consideration to this at a later date, probably under the subject of competition.)

Sarcasm

"Sarcasm, I now see, to be in general the language of the devil."
[Voltaire]

Quotations From Bohm-Bawerk

Self-love

"It is incontestible that the basic force which sets in motion all economic efforts of man, be they selfish or altruistic, is his interest in his own welfare." [—*History and Critique Of Interest Theories*, p. 353, Libertarian Press, South Holland, Ill., 1959]

Well-Being

". . . I am here using 'well-being' in the widest sense, and that it does not apply merely to the selfish interests of an individual, but rather to everything that in his eyes appears worth striving for." [—*Positive Theory of Capital*, Note 70 to page 188, Libertarian Press, South Holland, Ill., 1959.]

Alms

"... Donations and alms are given when their significance in promoting well-being, as measured by their marginal utility, is far greater for the recipient than for the donor. The reverse is virtually never true." [—*Positive Theory of Capital*, Note 19, p. 143, Libertarian Press, South Holland, Ill., 1959.]

**Extract From An Open Letter To Dr. John C. Bennett
Of Union Theological Seminary Of New York
By Rev. Edmund A. Opitz**

"After perusing the books of the social gospellers and the welfare-staters, and after conversations with you and with men professionally engaged on one or the other of the various church councils for social action, I am forced to conclude that the reason why the libertarian case is not taught in seminaries is that the case is not known in theological circles! Neither is it a fashionable mode of thought among our intelligentsia; the climate of opinion is unfavorable to it." [—*Truth In Action*, Spiritual Mobilization, September 15, 1952]

[Note: Professor Bennett is closely associated with Reinhold Niebuhr and others in leadership of the social gospel. Rev. Mr. Opitz is a Unitarian minister associated at the time of this *Open Letter* with Spiritual Mobilization.]

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Nota Bene

The September issue was intended as the last of a series on neighborly love, analyzed from a *rational* viewpoint, but several of the articles in this issue have turned out to be supplementary remarks on the same subject.

* * *

PROGRESSIVE CALVINISM is not a theological publication. It is instead, a praxeological publication (or as most people would say, a social science publication) emphasizing the relationship between ethics, economics and politics. Although we do not intend to cover theology, there are occasional comments from readers that we should restrict ourselves to economics, because theology is not our field. We shall not ignore these suggestions.

However, various subjects which have been discussed in this publication are not so much theology as cosmology. By cosmology we mean the character of creation, the general operation of the world, how it is put together, and how it functions. It is not feasible for us to neglect cosmology. Economic ideas should not be detached from the frame of creation and the world of reality.

Several of the articles in this issue concern themselves specifically with problems of cosmology. But they have a bearing on ethics and theology.

The colloquial term often used for cosmology is "world and life view." This latter term is supposed to indicate how you look at reality generally. It is not feasible to suppress one's "world and life view" and consequently cosmology will continue to be a subject touched upon in PROGRESSIVE CALVINISM.

We deplore the application of naive cosmological ideas to theology thereby placing theology in a false setting.

The Reformation Needs To Be Repeated

The ideas that constitute the Christian religion should not be detached from other human knowledge. If the rest of human knowledge changes, even though the data or "givens" of revelation are unaltered, nevertheless the *total* is different, and consequently religion has been affected *relatively* by the changes in secular knowledge. For example, the discoveries of Galileo (that the sun does not revolve around the earth, but *vice versa*) had an effect on how Scripture was subsequently interpreted. As secular knowledge increases, the framework in which the revelation of Scripture is "set" is significantly altered. It is an error to deny that, and false to allege the contrary. The Belgic Confession (in Article II) calls *nature* one of the two books through which God may be known. Now *nature* includes the *laws of human action* as well as laws of nature in a physical sense. Steadily more is becoming known regarding both types of laws. The book of nature in that two-fold sense is being opened more and more.

If what has happened in the latest 1,800 years of Christianity is viewed in perspective, should the situation be considered static in regard to doctrine? The answer must be, *No*. The Christian

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Reformed church, for example, in 1924 in regard to Common Grace made pronouncements not previously formulated or declared to be "doctrine"; (see July 1958 PROGRESSIVE CALVINISM, pages 215ff). The churches themselves make changes for good or evil; and in addition on all sides around them there are increases in secular knowledge which bear significantly on the total body of sacred doctrine.

In perspective, what is the picture regarding changes in doctrines, when both Roman Catholic and Protestant doctrines are considered? In what follows we intend no preference to either Catholicism or Protestantism. Most of the writer's ancestors (all of them between heathendom and the Reformation) were probably Roman Catholics, and he has no inclination to attack their devoutness or judgment in their times and circumstances, whatever they may have been. Fewer of the writer's ancestors (those since some time after the Reformation) have been Protestants. In the long line of all ancestors the record, if known, would include heathens, Roman Catholics, Protestants and skeptics. Some of them may have been indifferent to religion and morality. When imagining what the record may have been, we are disposed to be tolerant and humble, as our descendants in turn will need to be concerning us.

How look at the Reformation relative to Roman Catholicism? The Reformation was a *rationalistic* deviation. It rejected various accretions to the Christian religion, or carry-overs that had become obsolete dogma, which *within* the Mother Church it did not seem possible or feasible to abandon. The Reformers were extreme "rationalists" in their day. They were innovators, relative to the Mother Church.

It is not implied that the Roman Catholic church did not concern itself about abandoning obsolete dogma, either before or after the Protestant Reformation. A fair perspective will reveal that the Roman Catholic church has changed continuously and substantially, at times faster on some subjects than the Protestant churches. But at the time of the Reformation the Reformers *were changing much more rapidly* than the Mother Church from which they seceded or from which they were excommunicated.

The Protestants had scarcely become "reformed" when they (inevitably, shall we say) formalized and "froze" their doctrines

and ideas, as the Mother Church had done previously. The Protestants were, then, more rationalistic than the Roman Catholics only temporarily, namely, at the specific time of the Reformation, but they did not retain their temporary tempo.

How do we look at Luther and Calvin, Melanchthon and Knox and the Reformation? As being meritorious, just as the Roman Catholic church must be considered as having been meritorious in its history. But does that make Luther, Calvin or Melanchthon *et al* final authority for us today? We could not accept that. Whenever we have tried to find an answer to a peculiarly modern problem we have found the old Reformers vague and confused, if not contradictory to themselves on that subject.

We are, then, disposed to be as rationalistic in our day toward the Reformers as they in their day were rationalistic toward the Mother Church. Many of the ideas of the Reformers need modernization. The Protestant churches should become *progressive* again.

The material in PROGRESSIVE CALVINISM has been radically influenced by the modern science of *economics*, a subject on which both the Roman Catholic church and the Reformation churches have been and continue to be neglectful. Economics began to be significant as late as two hundred years *after* the Reformation.

Despite the vital significance of modern economics for Christian ethics, economics is not to our knowledge taught in a single Protestant seminary in the United States. Nor would such teaching necessarily be significant; there are "economics" and "economics" — not everything that goes by the name has genuine rational merit. We do not consider socialism to be economics.

The Reformers when they taught more rationalistically than the Mother Church simultaneously declared that they were turning back to the plain and simple teaching of Scripture. We believe we do the same; we hold to the *strict interpretation* of Scripture definitely more than do the present-day "orthodox" Protestant churches. To carry the parallel further: the Reformers accused the Mother Church of substituting *works* for *faith*; similarly, we have a graven image against modern Protestant religion, namely, that it has falsified the doctrine of *brotherly love* in the direction of making it sentimental, sanctimonious and unworkable; when we criticize the prevailing definition of brotherly love we do that on two grounds

—logic and Scripture. Our objection to the prevailing Protestant doctrine of brotherly love is as strong as the Reformers' objections to indulgences.

The Mother Church rejected the rationalism of the Reformers. Present-day Protestant Churches reject modern "rationalizations" of ethical ideas. If the Roman Catholic church unduly emphasized works, modern Protestantism unduly emphasizes *brotherly love*, or rather, *its definition* of brotherly love. Any one questioning that is as distrusted by modern Protestantism as the Reformers were distrusted by the established church. The way of the innovators is always hard.

What is this definition of *brotherly love* that should be challenged? It is in many respects the definition of brotherly love by communism. From each according to his ability to each according to his need. The people who founded communism and who proclaim this pious law of love are the same people who detest the Hebrew-Christian religion. They are astute enough to know that their law of love is not reconcilable with the ethics of the Christian religion. Many of those who profess the Christian religion do not realize that the communists are consistent in their thinking, while they (some modern Protestants) do not realize their own inconsistency, namely, that the doctrines in Scripture on brotherly love cannot be reconciled to the sanctimonious definition of brotherly love under communism.

Ricardo Right And Ricardo Wrong

The high place which must be given to Ricardo's Law of Association in ethics, economics, cosmology and political policies, to which law we have called attention in the previous issues (July through September, 1958), should not induce readers to conclude that we *generally* adhere to all of Ricardo's ideas in economics.

Many of Karl Marx's ideas are a re-hash of Ricardo's ideas with a substantial deterioration in the hashing process. We reject Ricardo's land rent theory; his explanation of the character of interest (*interest* in the economic sense of *all unearned* income); and his ideas underlying the so-called Iron Law of Wages.

We acknowledge that we belong, in a sense, to the English classical school of economics, and are followers of Adam Smith,

David Ricardo, Malthus and John Stuart Mill. That is, *some* of their conclusions in economics are of indisputable validity and are foundation stones for economics for all time — for example, what Smith wrote about the advantages of division of labor, or Ricardo about cooperation, or Malthus about population.

When we write (1) that what Marx accepted of these classical economists we reject, and (2) that what we accept of these classical economists Marx rejected, this does not mean that the difference is entirely explained by arbitrarily picking and choosing quotations from Ricardo. It is also a matter of interpretation. The English classical economists were on critical points, it was discovered later, ambiguous and even contradictory. These *early* economists being pioneers were in fact, despite their genius, unclear on vital and significant economic problems. It is "half-valid" for Marx and other socialist-communists to look at these classicists as a fountain-head of socialist-communist ideas. But it is equally or more valid for individualists and libertarians, who have diametrically opposite ideas, also to appeal to statements that Smith, Ricardo or Malthus made. In fact, these libertarians are more in the right, because Smith and his followers were *generally* in favor of freedom. Therefore, whenever they made ambiguous statements those should all be interpreted in the general light of their favoring freedom. Then these men are kept in the category not only of great thinkers but also of thinkers who were *in the main right*. The particular use by Marx of ideas from Smith and Ricardo should, therefore, generally be rejected, because Marx really made a "biased selection" of the evidence.

It should be remembered what was written by Böhm-Bawerk as long ago as 1890 in his article on "The Austrian Economists": "*The most important and most famous doctrines of the classical economists [Smith, Ricardo, Malthus et al] are either no longer tenable at all, or are tenable only after essential alterations and additions.*"

Moralists today often moralize without knowing first hand what these classical economists taught. They know even less about the important work in economic theory which has proceeded steadily for 200 years since then, the conclusions of which are invaluable for relating together the ancient scriptures and the laws of economics.

The Extent Of The Effects Of Adam's Fall

Simple Questions

Two simple questions can be asked, the answers to which will be illuminating regarding to what extent one believes that the Fall of Adam affected the "world." These two questions are:

1. Did Adam's Fall change the climate of the earth?
2. Did Adam's Fall make self-love sin?

Suppose someone answers these questions with an emphatic *no*, will that make him un-Biblical in his views? We think not.

In the Commandments derived from Moses we are commanded to love our neighbor *as ourself*. Therefore, *self-love* is a virtue, according to the most fundamental moral document in Scripture. There is no reason to believe that that which is now recommended, even required of us as a virtuous act, was condemned before the Fall. Self-love is a fact of creation, and was not nullified nor condemned by the Fall.

In regard to whether or not Adam's Fall changed the climate of the world everyone is entitled to his own opinion, but he should reflect on the probabilities, and he should be cautious not to make the Hebrew-Christian religion appear ridiculous, thereby hindering acceptance of the Christian religion. There is a north pole, an equator, and a south pole. Depending on *location* and not (in our view) depending on sin, it is uncomfortably cold at the poles and uncomfortably hot at the equator. The reason is that the sun's rays strike at the equator at right angles, and at the poles at oblique angles. Now it is possible that the temperatures at the poles and at the equator were identical before Adam's Fall and that all over the earth the climate was perfect, but that necessarily entails the idea that at that time the earth was not shaped as a ball, and that the sun's rays hit the earth everywhere at the same angle. The earth must have been flat!

Statement Of The Problem In General Terms

The two specific questions which have been asked can be reformulated in *general* terms. Then they will read respectively:

1. Did Adam's Fall change *natural law*?
2. Did Adam's Fall change *praxeological law*?

Natural law is a term inclusive of climate. *Praxeological law* is a term inclusive of everything pertaining to human action, including self-love.

Without hesitation we hold that Adam's sin altered neither *natural laws* nor *praxeological laws* in any respect. The cosmos was not changed by sin; instead man was changed. There was not a single *law* changed by the Fall, but *human conduct* was changed. It was the *deviation* from law that constituted sin. *Law*, of whatever character, having been fixed by creation, is unalterable.

We speak of *natural laws* and give the term meaning by referring to gravity, electrical phenomena, biological phenomena, etc. When we speak of *praxeological laws* there may be difficulty in giving the term content. What is the greatest praxeological law that there is? The so-called *law of self-preservation* or self-love, that is, the adoption of suitable means to preserve the self and make life worth living. All other praxeological laws are subsidiary to this master law. The moment self-preservation and self-love are rejected as legitimate objectives an attempt is being made to condemn the character of the original creation. There is a revolutionary shift in principles of morality when people consider self-love a phase of sin rather than innate in creation.

Unharmonious Texts

The general character of the teachings about creation and sin in Scripture conforms to the foregoing description. But there are a few texts which *seem* to teach the contrary. There is especially the text about the ground being cursed because of sin, and henceforth bringing forth thorns and thistles, and men working in the sweat of their brow, and women having pain in childbirth (Genesis 3:16-19). These facts are not to be denied — there are thorns and thistles, there is painful physical labor, and it is reported to be painful to give birth to babies.

Consider the last-mentioned: was the anatomy of women changed by Adam's sin so that thereafter it became painful to give birth to babies? It is now painful, too, to anyone to be pricked by some sharp instrument. He screams and jerks away from the painful — and dangerous — object. The pain however was useful for self-preservation. Did Adam not have nerve centers for recording pain before he fell? Maybe the pain of childbirth has the same

function as all other pain — to stimulate action — in one case to avoid danger or take steps to eliminate harm, and in the other case to give birth to a child.

Some thorns and thistles, sweat and fatigue, pain and distress, it appears reasonable to believe, were originally part of creation and not of the Fall. Sin *aggravates* these unpleasantnesses, because man has not adjusted so well as he should and could; but sin has not *originated* these physical and physiological phenomena.

Assume sin suddenly disappeared; would thistles and thorns begin to wither and die; would nerves begin to atrophy so that there would be no more pain (to warn of danger); would everything become *effortless* so that there was no work involved in getting babies, or obtaining food, clothes, shelter, conveniences?

If someone believes that the Fall *changed everything unrecognizably*, he should be very cautious about giving any description of the pre-Fall world. That will have to have been so different a world from anything that we know *that it is utterly impossible to imagine what it was like*.

Two basic ideas reduce the problem which has been discussed and make the views expressed rational:

1. Creation was supralapsarian* in plan; and
2. Sin did not affect the creational aspects of praxeological laws (such as self-preservation); instead sin is action in disharmony with such praxeological laws.

Adam, in our view, was not a prince striding through paradise in grand style. To the contrary, he had no clothes, no tools, no fire, no shelter, no soap, no bathtub, no shaving equipment, no drinking water except the river, and no sanitary facilities. That is the basic picture which Scripture presents. There were many things that beset him before he was driven from the Garden of Eden.

Your Cosmology, Or Your World And Life View

The term, "world and life view" is a colloquial term for cosmology. What cosmology you hold substantially affects your theology and your ethics.

Sometimes when people declare that they are talking theology they are in reality talking about cosmology — the way they think the world has been put together and how it functions.

*See May 1957 issue, page 142f.

For example, if you believe that the world was created without living things having an urge for self-preservation and survival and well-being—that is, without self-love—but instead believe the original world to have been without those creational characteristics, and then if you believe that self-love dawned on the scene only when Adam fell, well, then of course, self-love is a phase of the Fall and of sin and not a phase of creation.

We consider self-love to be unalterably a phase of creation. The pursuit of self-regarding interests is not *per se* sin; rather it is virtue.

When the Holy Spirit of God, or anybody, or “common grace” contributes to the “restraint of sin,” thereby helping hold society together, is that *grace* or is that *creation*? Of course, if nothing creational holds society together, then a massive quantity of Total Depravity in men requires a lot of “grace.” It will certainly have to be “common.” But if creational factors, for example, the (mathematical) laws of association *a la* Ricardo operate regardless of Total Depravity, and if those factors stem from creation and not from grace, then why call them “common grace”; why not admit that *creation* helps hold society together?

To mix creation and grace can contribute to a very dubious cosmology or “world and life view.” The result may be considerable “confusilation.”

Total Depravity Has A Meaning Dependent On The Cosmological Framework In Which It Is Set

Cosmology As A Framework

Religion can be looked at as wholly independent of science, but the soundness of that idea may be doubted. The problem can be stated in this way: is religion something set in a frame of creation; or is creation something set in a frame of religion? What is the frame and what is the picture?

To that question the answer should be that creation is the frame of reference; it is antecedent in time and significance.

Science endeavors to fathom things of creation. In proportion as it correctly does that religion can in part build on science, or on a sound cosmology.

In what follows we present an illustration of how an article of religion has one meaning if it is based on a primitive cosmology, and how it has a significantly different meaning—and a more sensible one—if it is based on a realistic description of reality, which itself may not be clearly revealed in Scripture, because Scripture is not a comprehensive book on physics, economics, politics, zoology or some other science.

Ideas On Society And Common Grace

The Christian Reformed Church decided in 1924 that it needed a doctrine of Common Grace in order to neutralize conclusions which it believed followed from its belief in the doctrine of Total Depravity. It reasoned in what appears to be this frame of ideas:

1. Men are since Adam's Fall totally depraved, incapable of any good and disposed to perpetrate evil.
2. The Total Depravity of man is so bad that no society can hold together and exist unless there is a neutralizing agent.
3. Nothing is capable of holding society together except some kind of *grace*.
4. Saving grace is only for the elect and the few; therefore, if society is to be held together, some more comprehensive grace than saving grace is necessary.
5. The grace required to hold society together must be possessed by every member and so it must be *common* to everybody.
6. That common grace is the product of "the general operations of the Holy Spirit." Nevertheless, although it has that origin, it is *not* saving grace.

Unless you accept the foregoing you cannot be a preacher in the Christian Reformed church, nor an elder or a deacon. When you take such offices you sign that you accept the teachings of Scripture, as determined by the interpretation in the *Heidelberg Catechism*, the *Belgic Confession* and the *Canons of Dort*. But these in turn are to be interpreted according to the *Three Points on Common Grace* adopted in 1924. If, contrarily, you refuse to accept an interpretation of the first *Three Standards* according to the *Three Points on Common Grace* and instead declare that you will preach contrary to the *Three Points on Common Grace*, then

you will be unfrocked and excommunicated. In other words, the doctrine that a combination of two facts is necessary to explain the survival of society — (1) total depravity sufficiently nullified by (2) the general operations of the Holy Spirit — is a serious doctrine in the denomination.

The Frame Of Ideas About The Solar System

Before Galileo the general idea was that the earth was the center of the solar system and the body about which everything else revolved. Galileo said it was different — the earth was not the center and sun, moon, planets and stars did not revolve around the earth. Here were two frames of reference: the earth or the sun. At least one of these had to be wrong.

The Bible does not *teach* anything about the solar system. It naturally uses language based on the simple observations of everyday life and speech, and no great significance can be ascribed to that perfectly natural way of writing.

Is there a corresponding "frame" for the ideas of total depravity and common grace? What follows is intended to show that there are in regard to total depravity two "frames of reference" which differ in essential character. If one frame is accepted, then common grace (if it exists) must have one meaning. If another frame is accepted, common grace (if it exists) must have a different meaning.

The Cosmological Assumptions Underlying Common Grace

Is there a basic cosmological *assumption* underlying the doctrine of common grace, which assumption is not questioned and which may be grossly contrary to fact?

There is such an assumption. It is this: total depravity will (if unchecked) dissolve society, *because Adam's Fall destroyed the natural bond of society which God had created.*

Two questions immediately arise: what was that "natural bond"; and if it existed, was it destroyed by Adam's Fall? The Christian Reformed church has, to the writer's knowledge, never been explicit regarding what that natural bond is, although what it is, if it exists, is obviously a crucial question.

An inference might be made, to wit, the natural bond might be considered to be brotherly or neighborly love. Then the ques-

tion arises: what is neighborly love? Is it that we all are our brothers' keepers, as Cain "legislated" when he was making a lying defense for murdering Abel?

Or is "neighborly love" one hundred percent charity, from each according to his ability to each according to his need? That was Karl Marx's definition of neighborly love — full-fledged charity far beyond what Scripture specifies as charity.

An alternative view is that the natural bond of original society was self-love established by the character of *creation*. That self-love would be viewed as not sinful but as beneficial to all members of society *because all men were unequally unequal** (by creation) *and therefore it was mutually profitable to cooperate, or associate together, to be* (if you wish to express it that way) *good neighbors, or* (in Biblical language) *to have neighborly love*.

In this view, that self-love genuinely holds society together and that cooperation is *mutually* beneficial *because men are unequally unequal*, there are some basic mathematics involved (see July issue, pages 207-224). Because of *unequal inequality* of men it is spectacularly profitable to avoid coercion, fraud and theft which would hinder free exchange and cooperation among men. In other words, it is *genuinely profitable for you, me and everybody to be good*. To be not good to your neighbor consists in your not letting him be himself, or pursue his own interests, or manifest his inequalities relative to you, or engage in division of labor. When you do that — rob your neighbor of his *liberty* — *you really hurt yourself*; consider Ricardo's law.

What then holds society together? An unalterable bond — *self-love plus cooperation, according to Ricardo's law*. Adam's Fall changed neither of these.

Nor did Adam's Fall change the mathematics of cooperation by *unequally unequal* men. Adam's Fall no more changed mathematics than it changed gravity. Examine the mathematics in the July, 1958 issue, pages 208ff., and ask yourself: is that true now (which it must be) but was it *different* before Adam fell; or is that all unchanged? The only rational answer is that there has been and can be no change, for the simple reason that Adam's Fall did not change the laws of logic.

*See July through September issues on being "unequally unequal."

We come then to the simple and obvious conclusion that God put the necessary ingredients to hold society together (namely, self-love and the mathematics of mutual benefit) *into his creation*, and that those ingredients were as unremovable by sin as gravity is unremovable by sin.

In short, it was not in man's power *at any time* to dissolve society; nor will it ever be. God did such a wonderful work by creation that the "general operations of the Holy Spirit" have not been and never will be necessary as laborious labor to hold society together. Adam's Fall will not burden the Trinity.

Readers who will dispute this, if they really understand Ricardo's law, are those who extend the effect of Adam's Fall to an absurdity — those who say that gravity was changed by Adam's Fall, and mathematics, and logic, and that self-love is not the same after Adam's Fall that it was before Adam's Fall.

When the Christian Reformed church in its Synod of 1924 *assumed* in its declaration in Point 2 of its *Three Points of Common Grace* (1) that the natural bond of society is something else than self-love, and (2) that Adam's Fall could change mathematics (the mathematics of Ricardo's Law), it *assumed* two points wholly ignored, wholly unproved and contrary to fact.

The Two Alternative Frames Of Reference For Total Depravity And Common Grace

There are then two frames of reference for Total Depravity and Common Grace. The frames of reference are determined outside the field of morality; they are determined by the creational order, the original cosmogony of the world and the cosmological order. The two frames of reference are:

- (1) Total Depravity and Common Grace against a background of *no creational bond to society except charity*; and
- (2) Total Depravity and Common Grace against a background of the *two creational bonds of SELF-LOVE and INEQUALITY*.

The Reality Of Total Depravity

Total Depravity is not self-love, but the employment of improper means to gratify self-love — namely, coercion, adultery, fraud, theft, covetousness. The attack should not be directed

against self-love, but against certain instrumental phases of self-love; it is those which are condemned by the Hebrew-Christian religions and by true Hebrew-Christian ethics.

Naturally, in proportion as moralists divert their efforts away from *real* sins (those just mentioned) and concentrate in condemning self-love and failure to work for equality they are wide of the mark. They do not indicate in an elementary way any more what true morality is. This conclusion is fortified by their attitude toward various sins condemned in the Second Table of the Law; they condone or tolerate those sins wherever it is dangerous to resist them. Consider obvious examples:

(1) They condone coercion of all kinds by labor unions. An alleged "purpose" justifies the means! There is alleged injustice and inequality in labor relations and to end that, coercion by labor unions is considered permissible. But the charges are generally false and the means violate the law of God.

(2) Adultery is often defended. All that is necessary is for the "state" to approve a divorce and a remarriage (regardless of the Law of God) and the churches usually accept both acts. This inconsistency goes under the flag of obeying the organization which wields "the sword"! An organization allegedly created by God which disobeys God should not be obeyed when it openly violates the direct law of God itself.

(3) Theft is engaged in on a massive scale by the government through inflationism. The churches remain silent. Some petty chicken theft they condemn, but they do not criticize theft on a massive scale perpetrated by a government. When a government as Nehru's in India sets terms on mission activities in India — the terms that nothing the Indian government does (including inflationism) is to be criticized by a missionary — the churches supinely accept the terms. Mission work cannot be done without teaching the Law of God "across the board!" Some mission activity consists in talk about the love of God and of brotherly love. A spurious "love" but no "law!"

(4) The governments of the world have undertaken "social security." Essentially, the whole project has a fraudulent aspect. What is provided is not "security." Young people today who will qualify for social security forty years hence will discover

when they begin to collect on their social security — if there is no increase in the number of dollars — that it is inadequate.

(5) In regard to covetousness, the churches which teach the social gospel teach a doctrine which makes covetousness a virtue; "From each according to his ability to each according to his need" has its roots in covetousness, under the pretense that it is love.

Instead of attacking *sins* forbidden by the commandments, the churches attack *creation*, that is, self-love and inequality!

The Problem Of The "Hatred" Of God

Calvinists allege that they believe in predestination — that God foreordained all things, including the election of the elect, and the reprobation of the reprobate.

Not *many* of the children of men have been happy about accepting those doctrines; there is, therefore, a steady defection of Calvinists from the ranks of those who bravely assert these doctrines. In military terms, the ranks of those who are *genuinely* Calvinists in their doctrines are constantly being decimated.

The principle reluctance is about the doctrine of reprobation, that God foreordains some to permanent misery; and consequently the first withdrawal from a Calvinist position is *silence* about the doctrine of reprobation. Instead the talk turns to the love of God; there is no mention of His wrath and His righteousness. Reprobation is not repudiated but is *ignored*.

The second step in defection is not a direct repudiation either, but consists in placing a doctrine parallel to reprobation, which is *not reconcilable* with reprobation; for example, a doctrine that God "loves" the reprobate. In the human mind no doctrine of *simultaneous* love and reprobation can be reconciled. Such words reflect insincerity or intellectual confusion.

The final step in the drift away from historic Calvinism is to voice positive *dissent* from the doctrine of reprobation. This makes a man a heretic from Calvinism. (The earlier steps do not seem to do so.)

The problem shapes up in this manner: men are totally depraved. Something must operate to neutralize at least some of that depravity. God has to do that neutralizing, and such neutralizing must be *grace*. It benefits the reprobate as well as the elect. And

so, God "hates" and "loves" at the same time — reprobates and shows genuine common grace. As proof of common grace, the survival of society is cited.

Such a statement that God loves and hates simultaneously — can be accepted only if it is admitted that it is irrational, a *doctrine* or an article of faith, not "good sense."

However, the doctrine of reprobation is less vulnerable and can be defended more sincerely if a sounder cosmology is adopted. Suppose the existence of society is not a manifestation of "love" or "hate" at all, but suppose that society is a product of *creation*, namely, is held together by (1) self-interest and (2) unequal inequalities. Suppose, further, that sin has annulled neither self-interest nor unequal inequalities; that is, suppose that those two facts are praxeological *laws*, which sin cannot unmake as laws. Then *society* exists by creation and not by grace or love.

Then it is not necessary to declare the absurdity or insincerity that God loves and hates *simultaneously*.

In a world where there is respect for rationality, for common sense, — in such a world, the doctrine of reprobation will be vulnerable unless people read Scripture in a framework of a sound cosmology. In the framework of a sound cosmology a doctrine of common grace is supererogatory — absolutely unnecessary. A sound cosmology makes (1) common grace look ridiculous and (2) is a prerequisite to *rational* retention of the doctrine of reprobation.

A "Lawless" Pre-Fall World

What was the cosmology of the pre-Fall world of Adam before he sinned, if the popular view of the Garden of Eden is correct, namely, that it was a paradise?

If the Garden of Eden was a genuine paradise, then it was a *lawless world*. By *lawless* we mean that everything was conducive to Adam's comfort *regardless of natural laws*. Our emphasis here is on *natural laws*.

Natural laws are *general*; they are *regular*; they are (to human observation) *invariable*; they *do not change* to fit an individual's need for comfort; they rule on relentlessly. Unless individuals all want exactly the same thing at the same time, in the same amount, in the same way, and of the same quality, these natural *laws* will serve one person well according to his wishes, but another poorly

simply because his wishes are different. For example, Adam may have been working and felt hot and therefore wanted a cool breeze. But Eve at the same time may have wished to take an afternoon nap and wanted a warm breeze. For the Garden of Eden then to have been *paradise* requires that the same wind would blow cool and warm at the same time. In other words, in such a Garden of Eden there were no *laws* but only *special purpose events*.

The Garden of Eden could not have been a perfectly blissful paradise (as people imagine) unless there were no natural laws, but instead complete variability in events. Then, so the reasoning must be, when Adam fell from his state of rectitude, he suddenly found himself in a "new world" with inexorable natural laws — hunger, cold, thirst, darkness, disease, dangerous animals, thorns and thistles, sweat, fatigue, pains of all kinds, including that of child birth. These *laws* must have come into existence by his Fall. Sin, in short, converted a lawless world (which had feather-bedded Adam) into a world ruled by inflexible, and therefore, hard laws.

The *natural laws* to which we here refer are in the fields known as cosmogony or cosmology.

The Cosmology Underlying The Social Gospel (and also behind Common Grace)

The cosmology underlying the social gospel is obscurantist, and flaunts creational facts.

The social gospel's cosmology includes the idea that there should be a striving toward *equality*. In order to establish equality *self-love* is to be abandoned, or if not abandoned must be condemned. When self-love no longer sinfully motivates a man, then *neighborly love* will righteously motivate him. Then that man has *agape*, the right kind, the only pure kind of love, namely, *unmotivated love*, which does not consider the merits or demerits of the person loved but loves *indiscriminatingly*.

The two important positives in this system are *equality* and *indiscriminating love of the neighbor*. These two ideas are causally related; if one is abandoned, the other must be abandoned; if one is included, the other must be included. For, how can equality be attained unless charity is shown (gifts are given) to whoever has less regardless of his merit? Furthermore, how can love be

unmotivated toward others regardless of merit, without the end-result being equality?

The social gospel is a "complete" system, that is, the illogic is completely logical. The total is wrong but the details fit. The doctrine of equality and indiscrimination has been fully formulated by the Niebuhrs, Oxenams and Bennetts; the doctrine of the condemnation of self-love (that is, that all must be for the neighbor) has been worked out fully by Bishop Anders Nygren of Lund, Sweden, in his *Agape and Eros*. Collectively they have a unified system (of error). Regardless whether these men believe in the "Fall" of Adam, they obviously consider self-love to be sin and inequality to be injustice; or at least, self-love is lower than neighborly love and inequality is less attractive than equality. These are, in fact, ideas which are practically universally accepted.

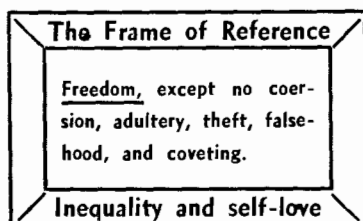
The men who have formulated the principles of the social gospel have apparently never heard or understood Ricardo's Law of Association. They have never worked on the problem of *defining* equality. They do not understand the blessings of *unequal inequalities* (as defined in the July through September, 1958, issues of PROGRESSIVE CALVINISM); consequently they attack inequalities rather than embrace them. If Ricardo's Law of Association is one of the most fundamental laws of human action, and if the laws of human action are a basic part of the cosmology of the world, but if the most widely accepted moral and religious leaders of the Western World are obviously uninformed about Ricardo's Law, or if they reject its incontrovertible mathematics and its universal application, then assuredly they are guilty of wanton obscurantism.

This is aggravated by the age-old but still prevalent (although outdated) confusion between creation and sin. Self-love is not looked upon in the social gospel as a creational phenomenon *antecedent to Adam's Fall*, but as something that is associated with sin. *Creation and morality are being confused together*. If, however, self-love was "built into" creation and if God created us that way, then self-love cannot be sin *unless God made a very poor job of creation*. If He did, then Scripture is in error when it says that God saw all that He had made and behold "it was very good."

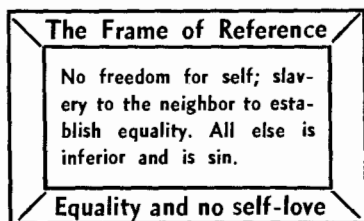
What the protestant religion needs is a return to Scripture and a harmonizing with the science of economics, and then protestantism may become *progressive*. It is certain that a new reformation eschewing the obscurantism of the past is needed.

The formulation of principles of morality by the social gospel also stands condemned on grounds other than its intellectual deficiencies only. We refer to its obvious sanctimoniousness and its *impossibility*. As a business man, as a "man of the world" we have always sensed on all sides the suppressed contempt of laymen for the clergy; why? because the clergy present such pious, unrealistic rules of conduct. Those rules of conduct are *not* derived from Scripture. The limited, restricted moral demands outlined in Scripture are *not* sanctimonious; (see the definition of brotherly love in the February through May issues of PROGRESSIVE CALVINISM in 1955). Scripture presents only hard-headed, practical rules. Yes, hard also in another sense, namely, hard to obey, because we are thoroughly depraved; the rules are not rules which it was originally *impossible* to obey; *they are not rules contrary to creation*. But the social gospel has exactly such rules — those which *are* nonobeyable because they are in violation of the laws of creation.

THE TRUE



THE FALSE



If the basic principles underlying the social gospel are equality and no self-love (agape misdefined), then what are the contrary sound principles of morality? They are the exact opposites: inequality and self-love. The *inequality* to which we refer has been painstakingly defined à la Ricardo in the three immediately preceding issues; the *self-love* to which we refer has been defined in the April, May and June 1958, issues; (obviously, self-love has not been defined as freedom to be a murderer, adulterer, robber, liar, coveter).

Without qualification, the *framework* for practical morality is inequality and self-love. The actual "play" within that framework is moral or immoral depending on whether the laws in the Decalogue against coercion, adultery, theft, falsehood and covetousness are observed or not. The situation can be shown in a diagram. (See preceding page.)

When sin is defined as self-love and as failure to work for equality then the wise will all wish to continue to be sinners and will not wish to experience conversion.

But the same wrong principles that "confusilate" the advocates of the social gospel also "confusilate" a denomination as the Christian Reformed. Underlying the prevailing thinking in this denomination is the same idea that self-love *per se* is not good, and that equality is a great goal. One wing in the denomination, especially, which founds its program on common grace is not unfavorable to these principles; consider the emphasis on love (*agape*) in one of the private journals in the denomination and the propaganda in favor of equality in the lecture rooms of the college. Furthermore, the basic premises underlying the doctrine* of common grace, which is the official doctrine of the whole denomination, are that unequal inequality and self-love are not adequate factors for holding society together; they are not creational and constructive and are not even worth mentioning as factors holding society together; in fact, *only* other factors are mentioned as holding society together; consequently self-love and unequal inequality cannot have been part of a creation originally good.

There is no hope for progress in the Christian religion if it continues at the most critical points flagrantly to confuse creation and sin. Any genuine intellectual enlightenment and practical usefulness of religion in politics and business, throughout the world, depends on desisting from trying to make unalterable phases of creation part of a moral reform. About the poorest way imaginable to improve morals is to try to change creation; it is not doable. Confusion between creation and sin should be ended once for all by using a little more science and abandoning some spurious religious "doctrines."

*Doctrine — "anything not a genuine intellectual discovery; anything not a good answer to appropriate questions." These are definitions of a skeptical philosopher.

Is Socialism Poor Economics, But Good Ethics?

A not uncommon idea among economists is that socialist economics are not logically defensible, but that socialist ethics are very lofty. For example, in 1890 a Scottish economist, William Smart, wrote: "The weakness of socialist economics in view of the strength of socialist ethics . . ." What? The "*strength* of socialist ethics"! Is there any *strength* in socialist *ethics*?

In PROGRESSIVE CALVINISM we attack not only socialist economics but also socialist ethics. We do that not only on the basis of observation — consider the Iron Curtain countries; not only on the basis of Scripture, which forbids *every* ethical doctrine taught by socialism — if Scripture is correctly interpreted; but also on the basis of rationalism and logic in ethics. The means by which socialism proposes to attain its ends are not suitable means, but contrary to purpose. Therefore, they are logically indefensible.

The strength of socialism is not its ethics, but its sanctimony and its pandering to a sin which people wish to have removed from the list of sins, namely covetousness. The guise under which these evil ethics are paraded before men is the guise of brotherly love.

Not only: "Oh, liberty, what crimes have been committed in thy name"; but also: *Oh, brotherly love, what sins masquerade under thy name.*

When Smart wrote "the weakness of socialist economics in view of the strength of socialist ethics" what did he mean by the "*strength* of socialist ethics"? At best nothing more than the opposition to poverty. But that is not an exclusively socialist program: who is there who is not against poverty?

The quickest solution for relieving poverty is the immediate redistribution of wealth, but is it a solution? It is only one "shot-in-the-arm." It is like a man close to starvation, who needs to save corn for seed, feasting on that corn. Temporarily he feels wonderful, but when the seed corn is gone, the circumstances are far worse than they would have been had there been no feasting of corn (or redistribution of wealth). How can anything have real merit when its earlier effects for good are offset by *much greater* misery later.

It should be observed that if redistribution is morally defensible and is a good thing *today*, it should be repeated a year from now, or a half-year or a month or a week from today; *if redistribution is just, then it should be continuous*. This is equivalent to saying that private property is not a valid institution, and that theft is not sin. Whoever accepts that proposition has simply substituted Marx for Moses as his chief legislator.

Smart, as an economist, knew that that was not a sound economic program. It would destroy all incentive. Production would decrease. Instead of being based on *incentive*, society would be based on *coercion*. When theft becomes a principle for society, coercion (tyranny) is close on its heels because as incentives are removed coercion must be applied.

Smart was wholly wrong when he used the term "*strength of socialist ethics*." There is no strength but only viciousness in socialist ethics. Smart was looking only at the false promises of socialism. The promises being false, they must be evil on that account alone. But they are also evil because the *means* of the socialists to attain their alleged objectives are (1) covetousness necessarily followed by (2) coercion, necessarily followed in turn by (3) theft disguised under legality. The means of the socialists violate the Sixth, Eighth, Ninth and Tenth Commandments.

The "*strength of socialist ethics*" should be re-phrased to read, "*the strength of the socialist appeal to covetousness*." That is all that Smart could really have had in mind if he had analyzed the situation adequately.

What Is Interest? Or The Quandary Of Calvinism In Economics

If you borrow money from a neighbor you pay *interest*, say at 5% or 6% a year. Interest, in such a case, is a return on borrowed money, interest on a *loan*.

Some people interpret the Bible as prohibiting such interest. (See PROGRESSIVE CALVINISM, Volume III, pages 68ff.) They quote the texts in Exodus 22:25; Leviticus 25:35-37 and Deuteronomy 23:19-20.

What in broader terms is this interest which you pay to the lender? It is *unearned income*. Being *unearned* the socialists at-

tack the existence of such income. To attack it basically they argue your neighbor should never have been permitted to acquire and possess that money. To own property is, they say, immoral and unjust.

Now interest on borrowed money is not the only kind of *unearned income*. There are two other kinds: *rent on land* and *profits in business*.

The strange thing is that although Moses *seems* to have prohibited interest on borrowed money, he definitely did not prohibit rent on land or profit on business transactions. Why did he seem to prohibit one kind of unearned income and oppose another kind?

How resolve the apparent inconsistency? Calvin boldly "solved" the problem by saying that Moses did not prohibit interest on money. The fact, however, is that Moses seemed to do so — if you take some things that he wrote in an unrestricted, indiscriminating sense.

The interpretation of Calvin *in general* is undoubtedly correct, although if correct, then Scripture at this point requires a rationalistic interpretation. At least, Calvin interpreted it that way, as he did various other critical passages in Scripture.

Calvin, following Moses and Scripture generally, *assumed* that private property was a moral institution. He never seems to have doubted it. Karl Marx, in contrast, basically attacked *all unearned income* — interest on money, rent on land, profits in business. Marx and Calvin were on opposite sides of the argument.

Incidentally, in the science of economics the unity in character of the three different kinds of unearned income is acknowledged by the use of *one* term, not *unearned income* but *interest*. In economics, then, *interest* has two separate meanings — (1) the unearned income derived only from loaning out money, and (2) such income *and also rent and profits*.

What is the character of interest in the second and broader sense? Here is the stimulating description of the character and problem by Eugen von Böhm-Bawerk, the famous Austrian economist [*History and Critique of Interest Theories*, p. 1, Libertarian Press, South Holland, Ill.]:

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 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 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.

Earned income to be retained by the earner will appear defensible to nearly everybody — but *unearned* income sooner or later was sure to come under attack. Moses may have nibbled a little around the edges, but Marx tried to dynamite all unearned income out of existence.

Calvin in the meantime had tried to solve the loan interest problem created by Moses by basing his argument in defense of interest money on the validity of land rent. Calvin said: if you

can get rent on land you ought to be permitted to get interest on money because otherwise you will buy land and get rent, and refuse to loan money. The borrower from you can buy land with the loan and earn land rent; therefore he can pay you interest on money. In other words, interest on money rests on land rent.

Two centuries after Calvin (1509-1564), a famous French economist named Turgot (1727-1781) developed Calvin's argument more fully. This is what Böhm-Bawerk wrote about Turgot's explanation of interest generally, based on land rent specifically. Turgot's argument is an elaboration of Calvin's argument.

The [Turgot] argument is as follows. The possession of land guarantees a permanent income without labor, in the shape of land rent. But since movable goods, even when independent of land, also can be used, and so also acquire independent value, we may compare the value of these two classes of goods and may evaluate land in terms of movable goods, and may exchange it for them. The exchange price, as in the case of all goods, depends on the relation of supply and demand (*Sec. 57*). At any time it forms a multiple of the yearly income that may be drawn from the land, and it very often gets its designation from this circumstance. A piece of land, we say, is sold for twenty or thirty or forty years' purchase, if the price amounts to twenty or thirty or forty times the annual rent of the land. The particular multiple, again, depends on the relation of supply and demand; that is whether more or fewer people wish to buy or sell land (*Sec. 58*).

By virtue of these circumstances every sum of money, and any capital, in whatever form is the equivalent of a piece of land yielding an income equal to a certain percentage of the capital sum (*Sec. 59*).

Since in this way the owner of capital can make it yield a permanent yearly income by buying land with it, he will not be inclined to invest his capital in an industrial (*Sec. 61*), agricultural (*Sec. 63*), or commercial (*Sec. 68*) enterprise, unless he can expect just as large a net return as he could obtain through the purchase of land over and above reimbursement of his expense and com-

pensation for his trouble. On that account capital, in all these branches of employment, *must* yield an income.

This is the primary explanation of the economic necessity of originary interest. Loan interest is derived from it in the simple way described below. The entrepreneur without capital is gladly willing, and economically may be well prepared to pay to the man who entrusts him with a capital some part of the gain which the borrowed capital yields (*Sec. 71*). Thus, all forms of interest are, in the last analysis, the necessary consequence of the circumstance that any capital can be exchanged for a piece of land which yields rent.

It will be noticed that throughout this line of thought Turgot's foundation is a circumstance which had for some centuries been the recourse of the defenders of loan interest, from Calvin on. But Turgot makes an essentially different and much more thorough-going use of this circumstance. Whereas his predecessors availed themselves of it occasionally, and by way of illustration, Turgot uses it as the pivotal point of his system. Whereas they did not consider it the sole cause of loan interest, but gave it equal rank with other sources of income, such as commerce, industry, etc., Turgot puts it by itself in first position. Finally be it said, that whereas they had used it only to explain loan interest, Turgot advances it as the explanation of the entire phenomenon of interest. And so Turgot, although he used only old materials, constructed a new doctrine, the first general theory of interest.

Defects of Turgot's Theory.

As for the scientific value of this theory, the fate which has befallen it is very significant. I cannot recollect ever reading a formal refutation of it. But a tacit verdict as to its inadequacy is implicit in the fact that efforts were continued to seek other explanations. It seemed too plausible to be refuted, but too shallow to inspire confidence. It produced the feeling that it had not penetrated to the very root of interest, even though it seemed impossible to give an exact accounting of its shortcomings.

To give such an accounting even at this late date seems to me by no means a work of supererogation. . . . For by pointing out where and how Turgot failed, I hope to make perfectly clear what the heart of the problem is toward which every earnest attempt at solution must be directed. Perhaps I can thus prepare the way for profitable pursuit of our future task. . . .

Turgot's explanation of interest is unsatisfactory because its course is a circle. The circle is concealed only by the fact that Turgot breaks off his explanation at the very point where the next step would inevitably have brought him back to the point from which he started.

The case, according to Turgot, is as follows. "A definite capital must yield a definite interest, because it may buy a piece of land yielding a definite rent. Let us take a concrete example. A capital of \$10,000 must yield \$500 interest, because with \$10,000 a man can buy a piece of land which will return a rent of \$500."

But the possibility of such a purchase as Turgot envisions is not in itself an ultimate and clearly obvious fact. So we are forced to inquire further and ask: "Why can a person with a capital of \$10,000 buy a rent-producing piece of land in general and a piece of land producing a rent of \$500 in particular?" Even Turgot feels that this question may be put, and must be put, for he attempts to give an answer to it. He refers us to the relation of demand and supply, which always determines (he claims) the relation of the price of capital to that of land.

But does this exhaust the questions we wish to ask, and those it is our duty to ask? Certainly not. The man who, when asked what determines a certain price, answers, "Demand and supply," offers a husk for a kernel. The answer may be allowable in a hundred cases, where it can be assumed that the one who asks the question knows sufficiently well what the kernel is, and can himself supply it. But it is not sufficient when the thing we seek is the explanation of a problem which has not yet been satisfactorily explained. If it were sufficient, we might simply

say, "Well now, the problem of interest is always concerned with phenomena of price. It is a fact that the borrower pays a price for the 'use of capital,' and it is a fact that the price of the finished product exceeds the price of all the goods from which it is produced, and that there is always an excess left over for the entrepreneur." And so we could settle the whole problem of interest by pronouncing a formula, to the effect that supply and demand so regulate the price of all goods that there is always a net yield left over for the capitalist. But certainly no one could regard it as a satisfactory explanation.

We must therefore ask further, "What deeper causes lie behind demand and supply, and govern their movements in such a way that a capital of \$10,000 can regularly be exchanged for a rent-producing piece of land in general, and a piece of land producing a \$500 rent in particular?" To this question Turgot gives no answer, unless we accept as such the somewhat vague words at the beginning of Sec. 57, which, even then, could by no means be termed satisfactory. He says, "Those who had a great deal of movable wealth were in a position to employ it not only in the cultivation of land, but also in different industries. The ease with which this movable wealth could be amassed and made use of, quite independently of land, made it possible to value the pieces of land themselves, and compare their value with that of movable wealth."

But if we continue with Turgot's explanation just a little way beyond the point where he left off prematurely, we shall discover that this interest, which purports to be explainable as the result of the exchange relation between land and capital, is in reality the cause of this exchange relation. That is to say, whether it is twenty or thirty or forty times the annual rent that is asked or offered for a piece of land depends chiefly on the percentage which the capital that buys it would obtain if otherwise employed. A piece of land which yields \$500 rent will be worth \$10,000 if and because the rate of interest on capital amounts to 5%. It will be worth \$5,000 if and because the interest rate is 10%. It will be worth \$20,000 if and

because capital bears only $2\frac{1}{2}\%$ interest. Thus, instead of the existence and the rate of interest being explained by the exchange relation between land and capital, this exchange relation on the contrary must itself be explained by the existence and the rate of interest. Nothing has been accomplished, therefore, toward the explanation of interest, because the whole argument has moved in a circle. [Böhm-Bawerk, *History And Critique of Interest Theories*, p. 40 ff., Libertarian Press, South Holland, Ill.]

It can now readily be seen that Calvin reasoned as much in a circle as Turgot did later.

We have never heard a Calvinist, as Calvinist, undertake to defend private property or unearned income from private property *logically*. Calvin himself tried but he is not a source to which Calvinists can go for help, as the foregoing quotation indicates. They must set out on their own, or learn what economists have developed.

On the fundamental issue between Marxian socialism vs. Biblical capitalism Calvinism, as far as we have been able to discover, is in a perfect quandary. Calvinism has to date been able to defend the Biblical position on property only by quoting texts. The socialists do not recognize the texts.

This bankruptcy of Calvinism toward socialism is as complete in the Netherlands as in the United States and elsewhere in the world.

Potential New Name For This Publication

A reader* has subjected the title of this publication to cogent critique. He declares that the word *Calvinism* is, in this situation, too restrictive and parochial. Why, he argues, should the ethics or economics taught in this publication be given the narrowly possessive label of *Calvinism*. We are, therefore, giving consideration to changing our title beginning in 1959.

Some of the titles which we are considering are:

Ethics and Economics

Christian Ethics and Secular Economics

Economics, Ethics, and Cosmology

Moral Precepts And Economic Laws

*Mr. Adolph O. Baumann of The Commodity Appraisal Service, Chicago.

*Praxeology**Christian Ethics And The Praxeological Sciences**Authoritative Ethics And Autonomous Science**Ethics, Praxeology And Cosmology*

All the foregoing titles will describe the contents of this publication more exactly than the present title. However, we have no intention of suppressing in future issues our peculiarly Calvinist tenets. Whether by education or independent judgment — no matter which — we remain explicitly Calvinist in ideas.

A good descriptive title is, we believe, "Christian Ethics And The Praxeological Sciences," but it is ponderous and the word *praxeological* is not readily understood. It means the sciences pertaining to human action. Obviously, praxeology is broader than economics. We do not wish to be restricted to economics only; for example, in early future issues we propose to examine with some care the theory of government which we favor over all other theories, that of the famous South Carolinian, John C. Calhoun. This is political science, a part of praxeology but not of economics.

The term *praxeology* was first used by Espinas in 1890 in an article in *Revue Philosophique*, XVth year, XXX, 114-115 and in his book with the title of *Praxeology* in 1897. Ludwig von Mises

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is, however, the scientist who has most effectively used and popularized the term; see his book *Human Action* (Yale University Press, New Haven, 1949).

However, even praxeology is occasionally too narrow a title for our purposes. We have an interest in cosmology as well as praxeology, and important aspects of cosmology are outside of praxeology.

The point at which praxeology and the natural sciences dovetail is of paramount importance. At this point the relationship between the material and the spiritual, the relationship between matter and thought, conjoin. If there is something *spiritual* that exists, a separate entity, then it should be discoverable or distinguishable at this point, if any. Consequently, at this point a man's basic epistemology is determined. Depending on what he does at this juncture, he is a positivist or an anti-positivist. There will be all degrees of anti-positivism. Some ideas held by Calvinists are positivist ideas, apparently without knowledge of the people holding those ideas. It is ridiculous to hold to both the Christian religion and positivism; they are irreconcilable.

The most inclusive title we might select is "Ethics, Praxeology and Cosmology."

Correction: Last month we ascribed to Voltaire the saying: "Sarcasm, I now see, to be in general the language of the devil." A reader has called to our attention that it was written by Carlyle.

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Isolation Resulting From Holding The Doctrine Of Obedience To God First

The idea that God must be obeyed rather than a government should be a cardinal doctrine in any creed that is theistic in character.

When men either (1) by *individual* violence or (2) by *collective* violence (especially, by improper laws) require disobedience to the plain commandments of God, then those who profess the Christian religion should say: Obey God and disobey men.

With the release of the next issue (December 1958), we shall be completing four years of publishing PROGRESSIVE CALVINISM. Naturally, people have written to us and spoken to us about the ideas we have published. Not one has ever expressed hearty agreement with the proposition that we must *always* obey God rather than men. "Nary" a one!

Readers look at us with a worried look on their faces; they ask, would you rebel against a government? By their very question they betray that they themselves have *no real determination* to obey God rather than men, come what may. They appear afraid to obey God when the laws of men are to the contrary, and they seem to mistrust their own or anyone else's judgment when it disagrees with the "laws" which a government is enforcing — even though those "laws" are plainly contrary to the law of God. They seem to let their own doubt, or unwillingness to make up their mind, excuse them from stoutly obeying the law of God.

Yes, if a lone *individual* violates the law of God, *then* they may be in favor of obeying God (because they assume that there is no danger to self in resisting such a lone and maybe weak *individual*). But for them it is altogether different if it is a case of a powerful group — such as a state or a labor union — violating the commandments of God. Under those circumstances we have yet to hear from one member* of the denomination to which we belong who *heartily* approves *unflinching resistance*. It is not surprising, then, that many ask with obvious fear about the consequences, You would not rebel, would you?

At the same time it must be admitted that our friends do not boldly say, You *should not* rebel. They seem to be reluctant to go that far. They genuinely "halt between two opinions" as the Israelites once "halted" between worshipping Baal or worshipping God. The cases are parallel.

In the *Declarations* of the Progressive Calvinism League, the 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.*

*There may be many such members but we have not met them or heard from them.

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The protestant denomination to which we belong has in specific cases officially repudiated the principle that God should be obeyed rather than men. It has officially decided, for example, that *if the state approves an un-Biblical divorce and remarriage, then the new marriage is valid*. However, it has never dared to declare that a new sexual relation between Mr. A and Mrs. B is valid, if the first marriage of Mr. A and the first marriage of Mrs. B have *not* been dissolved by state action, and if the new un-Biblical relationship has *not* been approved by state action. Obviously, the denomination in this case sets the law of men higher than the law of God. Consequently, it is not surprising (to us) that no fellow member has *unqualifiedly approved* our proposition, that it is more important to obey God than to obey men. On that subject we occupy a lonely and even exposed position.

The worried question, You would not disobey the law (of men) would you, is a difficult and delicate question. The answer is not easy. We are not sure that we can answer the question to the satisfaction of others, or even genuinely consistently (and consequently to our own full satisfaction).

Though the answer may be difficult we shall devote several issues to the attempt. We appeal to readers and ask their patience and indulgence. For, in the final squeeze between conflicting ideas, we hold tenaciously to the great principle stated by the Apostle Peter, namely, *We must obey God rather than men* (Acts 5:29b). If we are wrong, it is because we hold to that.*

Examples Of Political Issues Which We Shall Analyze From A Scriptural Viewpoint

We propose to discuss in this and early issues various controversial *political* issues — (1) whether to obey God or government and when; (2) what *legitimate* powers, that is, *authority*, any government can ever have; (3) whether the authority of governments derives from men or from God; (4) whether the South was right about slavery, about nullification, secession and civil war;

*There are, of course, two distinct questions: (1) whether to obey God or men; and (2) what the law of God really is. We are not here discussing the latter, but only cases when a man fully realizes that the law of God conflicts with the law of men, and deliberately decides (sometimes from fear) to obey the law of men rather than the law of God (usually on the ground that he is required by God to obey the government!).

(5) whether desegregation orders of the Supreme Court should be obeyed; (6) whether churches may properly operate on a segregated basis; (7) how resolve the "colored question" throughout the world; (8) what does the United States "owe" to the "undeveloped nations"; (9) should there be any higher authority in the United States than the Constitution?

We can answer these questions summarily:

(1) We should obey God and not governments when they require of us what God prohibits; (2) governments have *authority* only to resist internal and external evil (with evil defined as in the Decalogue; anything beyond that is illegitimate *power*, not *authority*); (3) the *power* of governments derives solely from men (but the *authority* of governments derives solely from God); (4) the South was wrong about slavery but right about nullification; in regard to secession, we are not sure; we have presently no final opinion; (5) *compulsory* desegregation orders issued by the Supreme Court should be frustrated and in that manner should be "disobeyed"; (6) whether churches should be segregated is purely a matter of "preference" — it being as right to be a segregated church as a desegregated church; (7) the "colored problem" in the world requires a solution which will be (or should be) acceptable to all nations, and no affront to any because the principle involved is universal, beneficent and honorable; (8) the United States owes nothing to the so-called "undeveloped nations" besides "brotherly love" *strictly and correctly defined*; and finally (9) there is indeed a higher authority in the United States than the Constitution; however there was no obvious conflict between the *original* constitution and that still "higher" authority, with one conspicuous exception; but *presently* there are many conflicts between the *laws* of the United States and the Law of God.

The subjects mentioned are of portentous importance. It is desirable to treat them systematically. This publication, however, is written from month to month under conditions which make a wholly systematic presentation beyond our ability. We shall, therefore, discuss the kind of questions which have been enumerated in our usual desultory manner. The presentation may not be wholly coherent, but in the end we hope the general description will be internally consistent, scriptural, and realistic.

Specific Tyranny Today In The United States

Nearly everyone knows about the Mennonite and Amish people, who in this country are also known as a segment of the "Pennsylvania Dutch." They occupy several counties in Pennsylvania, especially Lancaster County which has been one of the highly productive agricultural counties in the United States. That is where the "Pennsylvania" part of their name comes from. (There are Mennonite communities in several other states.)

The "Dutch" part of their name often involves a misunderstanding. Most of the so-called "Pennsylvania Dutch" came from the Palatinate, several of the provinces on the River Rhine, upstream from The Netherlands. These people were Germans and not Netherlandsers.

However, they do get their name of *Mennonite* from a Netherlandslander, one Menno, the son of a man named Simon; the full name by which he is known to history is Menno Simons (1492-1559), the *s* really being an abbreviation for *son*; in Netherlands history he is known as Menno Simonson. He was a member of the Brethren of the Common Life, a communal organization with a brotherhood house in the Netherlands.

The Mennonites are divided into sixteen branches, one of which is the Amish. The Amish use hooks and eyes on their clothes, but not buttons.

Mennonite confessions contain the customary evangelical doctrines of God, the Fall of Man, the authority of the Scriptures and the sacraments. Good conduct is considered more important than doctrinal points. Divorce is condemned, except for adultery. They refuse to perform military service, take oaths, and they are "separatists" in matters pertaining to the state.

Presently the Amish are being persecuted by the government of the United States. We quote an editorial from *The Wall Street Journal*, page 10, under date of November 4, 1958.

Amish Security and Amish Freedom

The Amish people, a Mennonite sect, have been here for a very long time. To most of us, the Amish are a quaint group whom we see now and then in the newsreels or *The National Geographic* driving their horses and buggies slowly to and from farm and marketplace. The men are all bearded and the women all bonneted.

But to their neighbors, the Amish are a law-abiding, God-fearing, industrious farm people who raise their children to respect their elders and to assume a responsibility for their relatives too old to work. In many ways, their way of life might be a pattern the rest of us would do well to follow.

But the Amish are now lawbreakers, because America, in its emphasis on security, has transgressed a freedom they hold to be paramount. Recently an auctioneer in Canton, Ohio, sold off livestock seized from Amish farmers by the U.S. Government because the Amishmen had refused to pay the Old Age and Survivors Insurance System levies.

The tax, they say, is against their religion. To pay the tax is to admit that the Government has a responsibility for aged Amish, and to admit that is to deny their own responsibility and thus one of their strictest religious precepts. The records in the two counties where the Government seized 28 head of livestock from 15 Amish farmers and cash assets of 50 others show that no Amishman had ever sought public assistance of any kind.

Has this emphasis on security touched only the Amish? No; farmers are fined for growing wheat without a Government say-so because other farmers want it that way in their search for security. Congress has permitted the labor law to be so written that men can be forced to join a labor union in order to hold a job.

The laws that require these things are not, it should be remembered, laws enacted to prevent evil or wrongdoing. It is not wrong, we think, for a man to have the freedom to work without having to join any association of other men in order to do so. It is not wrong for the Amish to reject the idea of Government responsibility for their own aged members.

To the contrary. What is wrong is the growing emphasis in our society on security. The wrong comes about when, in the name of the alleged greater good of all, collective security is permitted to disregard or destroy individual rights or beliefs or freedoms.

Furthermore, it wrongs more than the individual. For as one man's freedom is lost, freedom for all men is diminished as well. And though security is one of man's highest aspirations, perhaps we had better remember that security without freedom is history's bitterest jest. And there is a point where over-emphasis on one can slowly, but inexorably, destroy the other.

Something is wrong somewhere, but it is not the resistance of the Amish. We consider them to be in the right. In this case of the People of the United States *versus* the Amish the right is on the side of the Amish.

The rest of us who have put on the statute books the *Old Age and Survivors Insurance System* are guilty of tyranny against the Amish. We have put man-made laws in our Statutes, which are beyond the proper range of government. We are exercising power not authority; authority is *legitimate* power and legitimate power *only*.

The statute books of our governments have many laws *contrary to the law of God*, as in the case of this *Old Age and Survivors Insurance System*.

We cite this Amish case not as an exception but as a symptom of systematic evil. The correction for this evil must originate in restricting government to its legitimate functions, and in obeying God rather than men.

Three Great Americans And A Fourth Even Greater

Three of the great men of the United States are Abraham Lincoln (1809-1865), Robert E. Lee (1807-1870) and "Stonewall" Jackson (1824-1863). Of these three Lincoln was in one significant respect the greatest.

All three were involved in the Civil War of the United States. Jackson was killed in the third year of the war, aged 39. Lincoln was assassinated at the end of the war, aged 56. Lee lived the longest, 63 years.

"Stonewall" Jackson was a devout Presbyterian elder, a mathematician, and a brilliant military tactician. But he was on the wrong side, the side of slavery. He went along with his community. He did not stand alone.

Lee was a religious man, an evangelical. But he finally went along with the State of Virginia, in the Secession caused by the slavery controversy. In a way, Virginia had charge of Lee's conscience. Loyalty to a state apparently superseded Lee's individual judgment of right or wrong.

Lincoln too, *in his way*, although no churchman as either Jackson or Lee, was a religious person. Certainly he was "saturated" as few men ever have been with the moral law of the Hebrew-Christian religions. What did Lincoln do? He did not go along with his community, he did not surrender his conscience to any group, whether called church or state or what have you; he pondered deeply the whole question at issue and *made up his own mind*. He acted in a manner which gives conclusive evidence that he did his own thinking individualistically, independently and responsibly to God. In that respect he must be rated a greater man than either Lee or Jackson. We are not comparing nobleness of character, but principles of responsibility.

Lincoln stood solitarily alone. He was not prepared to break a contract (the Constitution) to destroy slavery where it historically existed. He was prepared to fight any extension of it. His position was one of "deadly moderation."

Patriotism is one of the grandest virtues. The decline of patriotism in the United States is to be sadly deplored. Lee and Jackson were patriots for their communities. But patriotism must not be loyalty to what may be wrong, but determination to help the community to do what is right. Patriotism to what is right is greater than patriotism to any human government which is wrong.

The attitude of the South toward slavery is understandable but not excusable. The idea of the South that some of its other interests, in this case illegitimately, had been sacrificed to the North was undoubtedly justified. The original beginning of the thought of Secession was based on a valid grievance, the tariff policy of the North, *which was contrary to the commandments of God*. If there had not been the violation of that right, the South might not have become so sensitive of its other sectional interests, including slavery. The North was guilty, too.

It is regrettable if moralists or churchmen teach that you are required to obey a government even when it breaks the commandments of God. No man should *lightly* resist his government.

Great provocation is undoubtedly required to justify rebellion, because of the portentous consequences. Nevertheless, on vital issues men must choose to obey God or men.

Consider the German clergyman, Pastor Martin Niemoller. In World War II he offered his services as a submarine commander to Hitler! It is hard to understand how a man working to promote the Kingdom of God could offer his services to Hitler. Curiously, too, Niemoller is soft toward communism. Religion indeed appears to be an inadequate guarantee of *first loyalty to God*.

The most loyal and patriotic citizens of this country will be men who are loyal to the requirements of the Law of God first and always. If that means resistance, then that is where duty lies. Consider the Amish, whose case we have just described.

But there is a fourth man whom we feel constrained to set higher than Lee, or Stonewall Jackson, or Abraham Lincoln. We refer to John Caldwell Calhoun, the famous South Carolinian. The *principles* of government which Calhoun favored come closer, in our estimation, to being in conformity with the Law of God than those of any other man who has undertaken clearly to state what his political principles are. The future of the United States, in our opinion, depends largely on whether the people will accept the principles of Calhoun or whether they will depart even further than they have already departed.

For us, Calhoun is the greatest of American political thinkers. We propose to provide sufficient information about the ideas of Calhoun so that readers can make up their own minds.

John C. Calhoun, *The Man*

In 1782, toward the end of the Revolutionary War, John Caldwell Calhoun was born on March 18 to Patrick Calhoun and his wife, Martha Caldwell Calhoun. Patrick was a frontier farmer near Abbeville in western South Carolina, competent, liberty loving, courageous, of Scotch-Irish stock, with a Covenanter (Presbyterian) background. He was a leader in his community. His son, John, was as much a product of the American frontier as Lincoln.

John Calhoun's early schooling was limited. When in his teens he attended for two years a school of his brother-in-law. At 20 he enrolled in Yale University and graduated two years later.

Then for one year he attended a law school in Litchfield, Connecticut.

The main events in Calhoun's career thereafter are as follows:

<u>YEARS</u>	<u>AGE</u>	<u>EVENT</u>
1806-8	24-26	Practiced law in South Carolina
1808-9	26-27	State legislator
1811	29	Married Floride Colhoun, eleven years his junior, daughter of his cousin
1811-17	29-35	Congressman
1817-25	35-43	Secretary of War
1825-32	43-50	Vice-President of the United States
1832-44	50-62	Senator
1844-45	62-63	Secretary of State
1845-50	63-68	Senator

Calhoun died on March 31, 1850, and was buried in St. Philip's churchyard, Charleston, S. C.

The probabilities are that Calhoun would have been successor to Andrew Jackson as president of the United States, had Calhoun's wife, Floride, been willing to recognize Peggy Eaton socially, as Andrew Jackson expected Floride to do. Floride did not approve of Peggy's history; Jackson became furious; and then acted in a manner to promote Martin Van Buren becoming his successor as president; Calhoun's ambitions to be president were blasted.

Nevertheless, the record is impressive — congressman at 29; secretary of war at 35; vice-president at 43; senator at 50; secretary of state at 62.

In private life Calhoun was a farmer, an activity which he loved. In the Piedmont in western South Carolina he had a plantation known as Fort Hill. It is now the site of Clemson College, the state agricultural college, which has taken its name from Calhoun's son-in-law, Clemson. Calhoun was a slave owner and a defender of slavery, a subject which will be discussed later.

Calhoun is usually described as a Calvinist, and although on many subjects his thinking was Calvinistic, he was not a convinced adherent of the Christian religion. Essentially, he was a Unitarian. He definitely refused to accept for himself the idea of salvation by the grace of God. But he had been cast by his parents into a grim Calvinist mold in his thinking about duty, work, integrity, responsibility to fellow men. Until far into his maturity he had difficulty

looking at relaxation and amusement in any other way than with suspicion.

Margaret Coit in her book, *John C. Calhoun; American Portrait*, about which more in a moment, tells about the hospitality of Calhoun at Fort Hill: ". . . 'open house' was the rule. . . . The choicest dishes were selected for the visitor, but for a guest who had the ill judgment to decline an invitation to family prayers, Calhoun's command was peremptory: 'Saddle the man's horse and let him go'." (Page 390.)

Calhoun was a strong family man. He faithfully wrote members of his household. The Calhouns had eight children of whom six survived early youth. Calhoun's public obligations irked his wife, and the relationship between them was not always placid. He was away, *alone* in Washington, fifteen of the thirty-nine years of his married life! When Floride would go into a tantrum, Calhoun would retreat to his office, of which he *only* had the key, and to which Floride did not have free admittance. Mrs. Coit writes: [Floride] would storm through the house and the grounds, locking every window, every door, every closet, storeroom, smokehouse and outhouse on the plantation. She would call for the carriage and drive off, leaving her husband to break down the doors and do the explaining to . . . gentlemen . . . [guests] when he brought them home for a long-planned dinner party." A flower garden he had planted carefully with his own hands, she had the slaves dig up during the night and before morning had every flower replanted!

Physically, Calhoun was a spare man, six foot two inches in height. His health was frequently impaired by over-work and tension.

Calhoun was one of the greatest of his race, with a lucid and powerful mind. Webster, impressed by Calhoun's intellect, wrote that Calhoun could have "demolished Newton, Calvin," or even John Locke as a logician.

In regard to duty Calhoun wrote: "The reward is in the struggle more than in victory . . . I hold the duties of life to be greater than life itself, and that in performing them manfully, even against hope, our labor is not lost . . ." This is similar to the great words of Prince William of Orange (known as "the Silent") who wrote the memorable words: "It is not necessary to hope in order to undertake, nor to succeed in order to persevere."

For more information on the life of Calhoun readers are referred to the three volume work by Charles Wiltse, entitled *John C. Calhoun*, (Bobbs-Merrill Co., Inc., Indianapolis, 1944-51, 3 vol.), and to Margaret L. Coit's *John C. Calhoun: American Portrait*, Houghton Mifflin Company, Boston, 1950, 593 pages. Mrs. Coit has in her very interesting volume a great amount of informative and illuminating material. We recommend the book to readers,* because it will be rewarding reading to everybody.

In regard to Calhoun's own writings we propose to comment on those directly.

Calhoun's, "A Disquisition On Government"

In 1842, Calhoun, at the age of 60, began work on a treatise on government. It was not printed until after his death (which as previously noted, occurred in 1850). It carries the title, *A Disquisition on Government*.

This is not a large book. It is 80 pages long in ordinary type; (not much more than two issues of this publication with its smaller type). But the book is, we believe, a classic in content, style, simplicity, integrity, and profundity. We consider it the greatest text on government ever written.

This book is obtainable in the American Heritage Series, either cloth bound or paper bound, published by the Liberal Arts Press, New York.

To readers who subscribe for 1959 to this publication, we shall be pleased to send gratis a paper bound copy of Calhoun's *A Disquisition on Government*.

If students of government everywhere would devote as much time to Calhoun's ideas on government as they probably devote to Plato's *Republic* there would be an immeasurable improvement in political thought.

It is in his *political* thinking that we believe Calhoun must be classified as a Calvinist. His ultimate premises are, we believe, more Biblical than those of any writer whose works we have read, whether they be Plato, Augustine, Thomas of Aquinas, Groen van Prinsterer, Edmund Burke, Montesquieu, Abraham Kuyper, Macaulay, Acton, Lincoln. Some of these men, on some one point,

*Mrs. Coit does not understand economics and frequently reveals unwarranted hostility to capitalism.

may have seen some matter more clearly than Calhoun. We are judging them by their total ideas and not by some fragment.

To illustrate Calhoun's thought we are in the next article quoting four of the opening pages of his *Disquisition*, and appending thereto our reactions.

Quotation From A Disquisition On Government

(First Four and One-half Pages)

(The reader is advised to read all material by John Calhoun himself in the left-hand column first, before reading any of our comments. We are indebted to The Liberal Arts Press, New York, for their permission to quote from their publication of Calhoun's Disquisition.)

CALHOUN'S TEXT

1. In order to have a clear and just conception of the nature and object of government, it is indispensable to understand correctly what that constitution or law of our nature is in which government originates, or to express it more fully and accurately — that law without which government would not and with which it must necessarily exist. Without this, it is as impossible to lay any solid foundation for the science of government as it would be to lay one for that of astronomy without a like understanding of that constitution or law of the material world according to which the several bodies composing the solar system mutually act on each other and by which they are kept in their respective spheres. The first question, accordingly, to be considered, What is that constitution

COMMENTS

1. Calhoun begins his analysis of the character of government by raising the cosmological question: What is the character of man? If he had failed to begin with this question of cosmology, his theory on government would have remained suspended in mid-air — without a foundation. Calhoun realized that his doctrine about the character of man had to be antecedent to a doctrine of government, in other words, creation and cosmology are antecedent to grace (including common grace) both in time and in importance. Incidentally, it should be recognized that Calhoun is described as a "solitary thinker." He was not a bookish man; his opponents in the Senate declared that his thinking was "metaphysical" in character. Undoubtedly, as less-profound thinkers, they were objecting to

or law of our nature without which government would not exist and with which its existence is necessary?

2. In considering this, I assume as an incontestable fact that man is so constituted as to be a social being. His inclinations and wants, physical and moral, irresistibly impel him to associate with his kind; and he has, accordingly, never been found, in any age or country, in any state other than the social. In no other, indeed, could he exist, and in no other — were it possible for him to exist — could he attain to a full development of his moral and intellectual faculties or raise himself, in the scale of being, much above the level of the brute creation.

his going back to the "constitution and law of our natures," that is, back to creation.

2. Calhoun here categorically denies the idea that the natural state of man is one of isolation. For Calhoun *society* is man's natural state. Calhoun does not engage in childish imaginations about a state of nature in which man was in a better physical and moral condition because he was in isolation. This single paragraph puts the thinking of Calhoun on an altogether different foundation than the thinking of Rousseau or anyone influenced by Rousseau.

Nevertheless, the paragraph is not so explicit as it might well have been made. Calhoun restricts himself to saying that man's "inclinations and wants, physical and moral, irresistibly impel him to associate with his kind." What Calhoun wrote is true, but he could have been more specific if, instead of referring to "inclinations" and "irresistible" events, he had referred explicitly to Ricardo's Law of Association. Then the sentence might have read "man's knowledge of where his advantages lay convinced him that it was highly profitable to associate and cooperate with his fellows": or it might be put even

more simply by saying "man's discovery that there is great mutual benefit from association with other human beings who are *unequally unequal*, irresistibly impelled him to associate with other men."

3. I next assume also as a fact not less incontestable that, while man is so constituted as to make the social state necessary to his existence and the full development of his faculties, this state itself cannot exist without government. The assumption rests on universal experience. In no age or country has any society or community ever been found, whether enlightened or savage, without government of some description.

3. In this paragraph Calhoun in effect assumes "total depravity." He says that a society "cannot exist without government." Then he appeals to universal experience and to history. Calhoun here does not reason as a metaphysician from cause to effect, but from effect to cause; he reasons *a posteriori* and not *a priori*. If he had reasoned in the latter way he would have said that government is necessary because of man's depravity. Readers will remember that in our third issue, in March 1955, we referred to "Epstein's Law." Albert J. Nock in his *Memoirs of a Superfluous Man* tells how Epstein at a luncheon while shaking a forefinger at Nock said with great emphasis "I tell you, if self-preservation is the first law of human conduct, exploitation is the second." In this third paragraph in his *Disquisition*, Calhoun is indicating that government is absolutely necessary because of man's disposition to "exploit" his fellows. Calhoun's paragraph two is Epstein's "self-preservation" and

Calhoun's paragraph three is Epstean's "propensity to exploit."

4. Having assumed these as unquestionable phenomena of our nature, I shall, without further remark, proceed to the investigation of the primary and important question, What is that constitution of our nature which, while it impels man to associate with his kind, renders it impossible for society to exist without government?

4. Calhoun here poses the problem in his own language.

5. The answer will be found in the fact (not less incontestable than either of the others) that, while man is created for the social state and is accordingly so formed as to feel what affects others as well as what affects himself, he is, at the same time, so constituted as to feel more intensely what affects him directly than what affects him indirectly through others, or, to express it differently, he is so constituted that his direct or individual affections are stronger than his sympathetic or social feelings. I intentionally avoid the expression "selfish feelings" as applicable to the former, because, as commonly used, it implies an unusual excess of the individual over the social feelings in the person to whom it is applied and, consequently,

5. This is a marvelous paragraph. This does not put the answer to the question in the stereotyped and threadbare slogans which are used without understanding what they mean. In this paragraph Calhoun gives a Calvinist answer without impairing the quality of the answer, but he avoids the lingo of Calvinism. Furthermore, he has the inestimable advantage of expressing himself in a most moderate kind of language. He even avoids the word "selfish." Calhoun simply says that a man's "direct or individual affections are stronger than his sympathetic or social feelings." Calhoun declares that we "feel more intensely what affects ourselves" than "what affects [us] indirectly through others." He calls that phenomena a law "as unques-

something depraved and vicious. My object is to exclude such inference and to restrict the inquiry exclusively to facts in their bearings on the subject under consideration, viewed as mere phenomena appertaining to our nature — constituted as it is; and which are as unquestionable as is that of gravitation or any other phenomenon of the material world.

6. In asserting that our individual are stronger than our social feelings, it is not intended to deny that there are instances, growing out of peculiar relations — as that of a mother and her infant — or resulting from the force of education and habit over peculiar constitutions, in which the latter have overpowered the former; but these instances are few and always regarded as something extraordinary. The deep impression they make, whenever they occur, is the strongest proof that they are regarded as exceptions to some general and well-understood law of our nature, just as some of the minor powers of the material world are apparently to gravitation.

7. I might go farther and assert this to be a phenomenon not of our nature only, but of all animated existence throughout its entire range, so far as

tionable as is that of gravitation." In our language, Calhoun is simply saying that we were created that way. He is not talking about providence nor common grace, but the character of creation.

6. This paragraph is necessary as a rebuttal to those who might declare as the rule, or cite certain examples as the rule, when, as a matter of fact, they are the exception.

7. Calhoun here engages in a sound generalization. He calls it the law of self-preservation, the "all pervading and essential law of animated existence."

our knowledge extends. It would, indeed, seem to be essentially connected with the great law of self-preservation which pervades all that feels, from man down to the lowest and most insignificant reptile or insect. In none is it stronger than in man. His social feelings may, indeed, in a state of safety and abundance, combined with high intellectual and moral culture, acquire great expansion and force, but not so great as to overpower this all-pervading and essential law of animated existence.

8. But that constitution of our nature which makes us feel more intensely what affects us directly than what affects us indirectly through others necessarily leads to conflict between individuals. Each, in consequence, has a greater regard for his own safety or happiness than for the safety or happiness of others, and, where these come in opposition, is ready to sacrifice the interests of others to his own. And hence the tendency to a universal state of conflict between individual and individual, accompanied by the connected passions of suspicion, jealousy, anger, and revenge — followed by insolence, fraud, and cruelty — and, if not prevented by some controlling power, ending in a

8. This is the second part of Epstean's Law, the propensity of each man to look out for himself at the expense of his neighbors rather than to conduct his relations with them on a basis of mutual cooperation (which means no violence, adultery, theft, fraud, covetousness).

state of universal discord and confusion destructive of the social state and the ends for which it is ordained. This controlling power, wherever vested or by whomsoever exercised, is *Government*.

9. It follows, then, that man is so constituted that government is necessary to the existence of society, and society to his existence and the perfection of his faculties. It follows also that government has its origin in this twofold constitution of his nature: the sympathetic or social feelings constituting the remote, and the individual or direct the proximate, cause.

10. If man had been differently constituted in either particular — if, instead of being social in his nature, he had been created without sympathy for his kind and independent of others for his safety and existence; or if, on the other hand, he had been so created as to feel more intensely what affected others than what affected himself (if that were possible) or even had this supposed interest been equal — it is manifest that in either case there would have been no necessity for government, and that none would ever have existed. But although society and government are thus

9 and 10. These are elucidating paragraphs. It gets down to this: Creation and sin make governments necessary. Both are ingredients; neither creation nor sin can be removed from consideration if the explanation is to be adequate.

intimately connected with and dependent on each other — of the two society is the greater. It is the first in the order of things and in the dignity of its object; that of society being primary — to preserve and perfect our race — and that of government secondary and subordinate — to preserve and perfect society. Both are, however, necessary to the existence and well-being of our race and equally of divine ordination.

11. I have said, if it were possible for man to be so constituted as to feel what affects others more strongly than what affects himself, or even as strongly — because it may be well doubted whether the stronger feeling or affection of individuals for themselves, combined with a feebler and subordinate feeling or affection for others, is not in beings of limited reason and faculties a constitution necessary to their preservation and existence. If reserved — if their feelings and affections were stronger for others than for themselves or even as strong, the necessary result would seem to be that all individuality would be lost and boundless, and remediless disorder and confusion would ensue. For each, at the same moment intensely participating in all the conflicting emo-

11. This paragraph is worthy of the most careful reading. This paragraph explains why government is necessary because of the character of creation as well as because of the character of sin. In plainer language than Calhoun uses, this is what he says: if man had not been created *selfish*, there would be "remediless disorder and confusion." Why would there be remediless disorder and confusion? Because man is finite, or as Calhoun says, man has "limited reason and faculties."

In this paragraph John Calhoun takes a position which would forever keep him from accepting the social gospel, which declares that we should do exactly what Calhoun says would cause boundless confusion. What Calhoun disparages is exactly the definition

tions of those around him, would, of course, forget himself and all that concerned him immediately, in his officious intermeddling with the affairs of all others, which, from his limited reason and faculties, he could neither properly understand nor manage. Such a state of things would, as far as we can see, lead to endless disorder and confusion not less destructive to our race than a state of anarchy. It would, besides, be remediless — for government would be impossible or, if it could by possibility exist, its object would be reversed. Selfishness would have to be encouraged, and benevolence discouraged. Individuals would have to be encouraged by rewards to become more selfish, and deterred by punishments from being too benevolent; and this, too, by a government administered by those who, on the supposition, would have the greatest aversion for selfishness and the highest admiration for benevolence.

12. To the Infinite Being, the Creator of all, belongs exclusively the care and superintendence of the whole. He, in his infinite wisdom, and goodness, has allotted to every class of animated beings its condition and appropriate functions and has endowed each with feelings,

given to *agape* by Bishop Anders Nygren in his *Agape and Eros*, which contains the fundamental doctrine underlying the social gospel everywhere, the doctrine of the Niebuhrs, Oxnams, Bennetts, the World Council of Churches, etc.

We ourselves, in earlier issues of PROGRESSIVE CALVINISM, have endeavored to make the point that the exaggerated doctrine of *agape* taught in the churches, if accomplished, would be mischievous and would destroy society. We concur completely with Calhoun.

12. Calhoun here rejects the doctrine that many people accept from Cain, namely, that we are our brothers' keeper. Calhoun says that only to God "belongs exclusively the care and superintendence of the whole." If we were indeed our brothers' keeper then the second table of

instincts, capacities, and faculties best adapted to its allotted condition. To man, he has assigned the social and political state as best adapted to develop the great capacities and faculties, intellectual and moral, with which he has endowed him, and has, accordingly, constituted him so as not only to impel him into the social state, but to make government necessary for his preservation and well-being.

the Law should read, Thou shalt love thy neighbor *more than* thyself; actually it reads thou shalt love thy neighbor *as thyself*. Calhoun simply puts that idea in his own words and in an illuminating manner in his paragraphs 11 and 12.

The rest of Calhoun's *Disquisition* is in the same vein — fundamental, compact, loaded with thought, realistic.

Calhoun On Slavery, The Question On Which Calhoun Was Wrong

The darkest side of Calhoun's ideas are those related to slavery, and it will be well to discuss them candidly. Basically, on the question of slavery Calhoun was wrong, and all the arguments in the world will fail to exonerate him. However, it is only fair to explain his views with some thoroughness.

In 1816 (when 34 years old) Calhoun in a speech on "the Treaty-Making Power" referred to "that odious traffic" meaning the importation of slaves from Africa, known as the slave trade. He said: "I feel ashamed of such a tolerance [the "tolerance" in the Constitution of permitting the slave trade to continue until 1808], and take a large part of the disgrace, as I represent a part of the Union, by whose influence it might be supposed to have been introduced" (John S. Jenkins, *Life of John Caldwell Calhoun*.)

Calhoun's son-in-law, Clemson, quit being a planter, declaring "I can do better for my family and myself" by not being a planter. Clemson suggested that he would "rent out his Negroes." Calhoun resisted that, saying that a planter who utilized Negro labor without owning the Negroes themselves would not be under adequate

inducement to take good care of them. ". . . The object of him who hires is generally to make the most he can out of them, without regard to their comfort or health, and usually to the utter neglect of the children and the sick." To prevent Clemson renting out his Negroes, Calhoun indicated that he would buy them himself, but that it would be 'financially disastrous' for him to do so. (From Mrs. Coit's *John C. Calhoun: American Portrait*, page 298.)

Calhoun himself had slaves estimated to number from 30 to 90. Calhoun's son, Andrew, had a plantation in Alabama where the heat made work burdensome. Father and son did some rotation of slaves in order to make it easier for them. Andrew would have the slaves for six months, and then would send them back to the hill country of Calhoun's South Carolina. Mary Bates in *The Private Life of John C. Calhoun*, tells of a Negro mother who preferred to stay with the Calhouns in South Carolina with her master and mistress even if her children went to Alabama. Calhoun responded to this characteristically: "I could not think of her remaining without her children, and as she chose to stay, we retained her youngest son, a boy of twelve."

The slave trade, that is, bringing additional slaves from Africa, was not officially ended until 1808; actually there was some illegal traffic after that date. The Negroes with whom Calhoun (and the South of his time) was dealing included individuals with the most primitive background — men and women directly from the jungles of Africa, illiterate, with altogether different values in regard to morals, industry and religion, and whom we too would have regarded as savages. The undoubted wrongs done these people may in most cases have been a blessing in disguise for many of them themselves, and certainly for their descendents, for by no stretch of the imagination can life for Negroes in the United States be considered to be less attractive generally than Negro life in Africa.

Calhoun was acutely aware of the differences between the races in his day and environment. Whereas the white man had thousands of years of liberty and experience in orderly government, the Negro had no such background. Calhoun was acquainted with the principle stated by Aristotle that the welfare of society depended upon "the predominance of its *superior* parts," a proposition with which it is not reasonable to disagree. Certainly, no one would

advance the proposition that the welfare of society depends upon "the predominance of its *inferior* parts." In Calhoun's time the slaves (many brought from Africa) certainly could not be classified as being a "*superior* part" of southern society. But all that certainly did not commit Calhoun to the proposition that the Negro was never to be free and never to participate in government. Mrs. Coit in her book on Calhoun (page 301) has this to say: "Calhoun conceded that once the slave had reached a state of moral and intellectual elevation, it would be to the master's interest 'to raise him' to the level of political equality, for he would [because of such cultural advance, if it occurred] then 'be destitute of all power' to 'destroy liberty.'"

The attitudes of the Hebrew-Christian religions have been pretty ambiguous on this question of slavery. Tolerance toward slavery was a definite feature of the Hebrew religion. Further, to our knowledge there is not one word in the whole New Testament condemning slavery *in principle*. The Apostle Paul sent a runaway slave, named Onesimus, back to his master — to slavery; see Paul's *Letter to Philemon*, the owner of the slave. The Christian religion therefore, should not adopt a "too holy" attitude in condemning others who have failed to condemn slavery.

Nevertheless, it must be admitted that although the history of the doctrine and attitude of Christianity toward slavery is not above reproach, *its principles unqualifiedly condemn slavery* as such. The Sixth Commandment says, Thou shalt not kill, which obviously includes, Thou shalt not coerce. Slavery, being coercion, is, *in principle*, therefore unqualifiedly wrong. Anyone who as a Christian does not admit the principle that slavery is wrong is really inconsistent with himself.

The probable reason for confusion, among honest Christians, between their religious principles and their acceptance of slavery, is that *in practice*, slavery appeared *the lesser of evils*. It is said that slavery originally began when war became more humane. In violent societies the tribe which was defeated was exterminated. Readers of the Hebrew Bible will readily recall the history of the destruction of Jericho, and the *general* requirement that the whole native Palestinian population be put to the sword — young and old, men and women, everybody from the graybeard to the newborn infant! Slavery became a substitute for such extermination.

The Hivites of Gibeon (see Joshua 9) by a ruse obtained a league with the Israelites. If they had let events run their course, they would have been exterminated. Instead, although they saved their lives, they fell practically into slavery; they were designated by Joshua to be "hewers of wood and drawers of water."

Slavery in early societies also became a substitute for imprisonment as well as for extermination. A creditor in primitive societies, where there was very little property held by anybody (let alone a debtor), had recourse to obtain payment through flogging, imprisonment or personal services (in the form of slavery, complete or modified). Neither flogging nor imprisonment is compensation or correction for being a voluntary or involuntary debtor. Maybe the debtor was often too irresponsible for his own welfare; maybe lazy; maybe stupid; maybe undisciplined. Under the circumstances slavery, in some form or other, may have appeared the lesser of evils, and from a *then* practical standpoint the best solution. Who are we, living in a different age and under different circumstances, to declare that Moses, Christ and Paul (and the nations of the world generally in the past) were wholly delinquent in not demanding immediate and unqualified discontinuance of slavery.

On the moral issue of slavery, Abraham Lincoln saw the issue more clearly than Calhoun. Lincoln took an unqualified position, to wit: (1) slavery was in principle wrong; (2) any extension must be resisted; (3) he would leave it alone where it existed by contract (that is, by provision in the Constitution). Calhoun and his associates were (1) not prepared to agree that slavery was in principle wrong; (2) demanded its extension beyond where it existed in the original southern territory; and (3) refused to be satisfied to leave slavery only in the territory where it originally existed.

But here again it is necessary to "see" the *whole* picture. And when we look at the whole (the role of government) we estimate that Lincoln was wrong and Calhoun right; but when we look at the *part* (slavery), then we estimate that Lincoln was right and Calhoun wrong. We shall endeavor to explain this in later articles in future issues. The character of the *whole* picture to which we refer will require careful and somewhat lengthy delineation.

Calhoun On Loyalty, A Question On Which He Is Unjustly Suspected

Two charges may be made against Calhoun: (1) that he was wrong on slavery; (2) that he fomented rebellion and that he was thereby disloyal.

This second charge — that Calhoun was a rebel, disloyal, a traitor, a cause of the Civil War which broke ten years after his death — is unjust. It will take considerable evidence to answer the charge, but here at the beginning of a consideration of Calhoun's ideas, some attention should be devoted to it, so that there will not be a prejudicial undercurrent of distrust to Calhoun on a false ground.

Basically, Calhoun was a defender of *liberty*.* Now, it is possible to accuse everyone who favors liberty of being a rebel and of being disloyal. But, on reflection, no one will wish to assert that because a man loves liberty that therefore he is a rebel. Some careful discrimination and exact distinctions are necessary to avoid so rash a conclusion.

This "injustice" to Calhoun also afflicts this publication. When we proclaim liberty and put it in the form of the proposition that we should obey God rather than men — and therefore sometimes disobey and resist government — then our best friends look at us doubtingly and disapprovingly and say, "You would not advocate disobedience to the law would you?" We have already referred to that earlier in this issue.

Generally, we see liberty and government as Calhoun did. In so far as there is still a difference, Calhoun was more inclined to obey than we are. Consider what Mrs. Coit reports Calhoun as saying in connection with matters pertaining to the War of 1812.

On page 86 she quotes Calhoun as follows:

"The worst of laws ought to be respected while they remain laws."

We ourselves could not accept that.

On February 25, 1814 Calhoun made a speech on the Loan Bill. Part of a paragraph in it reads as follows:

A minority has no "right to involve the country in ruin . . . How far a minority in a state of war may justly oppose the measures of Government is a question of the

*This is exclusive of the Negro race and slavery question.

greatest delicacy . . . An upright citizen will do no act, whatever his opinion of the war, to put his country in the power of the enemy . . . Like the system of our state and General governments — within they are many, — to the world but one, — so . . . with parties . . . in relation to other nations there ought only to be the American people . . . This sympathy of the whole with . . . every part . . . constitutes our real union. When it ceases . . . we shall cease to be one nation. (Calhoun, Speech on the Loan Bill, February 25, 1814, Works II, p. 94 ff.)

Calhoun's name is inseparably connected with *nullification*, the idea that some laws of a government (in this case the Federal government of the United States) could be declared to be null and void in some state, such as South Carolina, the state that Calhoun represented. Now, nullification is not treason; nor is it even secession; nor is it a general rebellion; it simply says that a specific law passed by a legislature is not to be put into effect in a specific area. *Treason* is one thing, helping an enemy; *secession* is something far less drastic and of an altogether different character; it is a withdrawal; *rebellion* is something still less than secession, especially if it is rebellion on a limited subject rather than a general rebellion; and finally *nullification* is something still less even than rebellion.

Readers who have questioned the attitude of PROGRESSIVE CALVINISM about disobeying laws (when we say that men should obey God rather than men) seem to believe that we might be traitors, or secessionists, or rebels against legitimate government. We are not; we are what Calhoun was; we are *nullifiers*. We say that we intend to neglect or reject a specific law which requires that we do something contrary to the Law of God, as if the man-made law did not exist; we, in effect, *nullify* laws contrary to the Law of God.

The Amish about whom we wrote in the third article in this issue are *nullifiers* in regard to the Old Age and Survivors Insurance System (see page 325f.). We respect them for being nullifiers.

Calhoun was the first man (to our knowledge) to formulate the doctrine of nullification in distinction from the doctrine of rebellion. That "nullifying" by Calhoun, in our opinion, was

genuinely Biblical. Calhoun we believe was in the right, according to the Law of God, and before the bar of justice and equity.

Calhoun did not become a nullifier on the slavery question *but on the tariff question*. He was "as right as rain" on that, as we propose to show in the next issue. Furthermore, the *principle* that underlay Calhoun's *nullification* on the tariff question was a Biblical principle. The maintenance of a peaceful and beneficent society depends on the general acceptance of Calhoun's nullification principle. We plan to devote several issues to the clarification of this fundamental idea.

"The Union! Next To Our Liberties Most Dear"

In the spring of 1830 at the Jefferson Day dinner of the Democratic Party two toasts were given which tell of two philosophies of government — Andrew Jackson's and John C. Calhoun's.

The dinner took place at the Indian Queen Hotel. Calhoun and his colleague, Hayne, expected support from President Andrew Jackson on their doctrine of nullification. But Calhoun and Hayne miscalculated. At this dinner Jackson, the President, intended to test Calhoun, the Vice-President, by means of a challenging toast. There were to be 24 toasts. Of the 24, one would be Jackson's and one would be Calhoun's.

Mrs. Coit, in the book already mentioned, wrote:

'Dinner was served. From the head and foot of the central table, Calhoun and Jackson eyed each other, toyed with their food. Slowly the tension in the room increased. A plot had been uncovered to assassinate Jackson; already so it was said, medals had been struck off: 'John C. Calhoun, First President of the Confederate States of America.'[*] And as if by magnetic power, all eyes were drawn to the two central figures, so different and yet so alike, towering head and shoulders above most of the other men in the room, their drawn faces and thin compressed lips. Each was waiting . . ." (p. 212.)

Eventually, the toastmaster called on President Jackson to present his toast. Jackson rose and looking point blank at Calhoun, gave this toast:

*Grossly false rumor, of course—Editor.

"Our Union — it must be preserved"

Jackson raised his glass. Every eye in the room was watching whether Calhoun would raise his glass and drink to the toast or whether he would refuse.

Awkwardly Calhoun fumbled for his glass, and as in a trance finally drank. The tension quieted; some people left.

After order was restored, it was Calhoun's turn to give the toast. He rose, picked up his glass, and slowly in a clear voice gave his toast:

"The Union! Next to our liberties, most dear"

This toast is different from Jackson's. In fact, there is a world of difference!

We would drink to Calhoun's toast:

"The Union. Next to our liberties, most dear."

Some put government first. Others put liberty first. The problem is a delicate one. Anyone who reads Calhoun's *A Disquisition on Government* will realize that Calhoun put an extraordinary value on government. But his toast put *liberty first*. And he was right.

Michel de Montaigne On Blind Obedience To Government

One of the essays by Michel de Montaigne (1533-92), a French essayist, has the title "Of Custom, and Changing of Laws."

Here are some quotations from Montaigne's essay to show to what extent Montaigne believed that we ought to obey the law, whether it is good or bad.

The Christian religion has all the marks of the utmost utility and justice: but none more manifest than the severe injunction it lays indifferently upon all to yield absolute obedience to the civil magistrate, and to maintain and defend the laws. Of which, what a wonderful example has the divine wisdom left us, that, to establish the salvation of mankind, and to conduct His glorious victory over death and sin, would do it after no other way, but at the mercy of our ordinary forms of justice, subjecting the progress and issue of so high and so salutiferous an effect, to the blindness and injustice of our customs and observances; . . .

What Montaigne here teaches is an extreme doctrine. He alleges that the whole program of salvation outlined by the Christian religion depended upon an event, the crucifixion of Christ, which consisted in blind obedience to human injustice. Montaigne's argument is that we similarly should submit to injustice and evil!

At another point he writes:

And freely to speak my thoughts, it argues a strange self-love and great presumption to be so fond of one's own opinions, that a public peace must be overthrown to establish them, and to introduce so many inevitable mischiefs, and so dreadful a corruption of manners as a civil war and the mutations of state consequent to it, . . .

Montaigne recommends a double-standard of conduct, namely, being independent and different to others in one's subjective private life, but being a conformist in all public matters. This is what he says:

. . . a wise man ought, within, to withdraw and retire his soul from the crowd, and there keep it at liberty and in power to judge freely of things; but, as to externals absolutely to follow and conform himself to the fashion of the time. Public society has nothing to do with our thoughts, but the rest, as our actions, our labors, our fortunes, and our lives, we are to lend and abandon them to its service, and to the common opinion; as did that good and great Socrates who refused to preserve his life by a disobedience to the magistrate, though a very wicked and unjust one: for it is the *rule of rules, the general law of laws, that every one observe those of the place wherein he lives.* (The italics are ours.)

Here Montaigne goes so far as to declare that it is "the rule of rules and the general law of laws" to obey completely the laws of the country regardless of everything. We deny that it is "the rule of rules and the general law of laws" to obey a Stalin or a Khrushchev, but that is what Montaigne proposed.

Curiously, however, at the end of the last paragraph in the essay Montaigne qualifies everything that he has previously written. Here he admits that a country ought not be permitted to be ruined by the maintenance of bad laws, and he even recommends subterfuge to escape the consequences of bad laws.

The difference between Calhoun and Montaigne is great. Calhoun believed that bad laws should be nullified; Montaigne believed that bad laws should be obeyed. Calhoun, however, as we shall show, was extremely cautious in regard to the question of nullifying any law. He was no rash innovator; we have already quoted him as writing "the worst of laws ought to be respected while they remain laws"; however, Calhoun did not believe that a law remained a law after it had been nullified. And of course, Montaigne could not hold unqualifiedly to his idea of absolute obedience either. In practice, theory bows to the realities of "circumstances."

The New Name For Progressive Calvinism Again

In the October issue readers were informed that beginning January 1959 the name of this publication would be changed, and we suggested a number of titles.

For various reasons we have already abandoned the names we then suggested. Presently we favor a title probably something as follows. The layout shows what the January 1959 issue may look like.

FIRST PRINCIPLES

(or *principia*) for all *human action* (especially in economics, religion, politics and business), and which underlie the general health and harmony of society.

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VOLUME V*

JANUARY, 1959

NUMBER 1

The word *principia* is the plural for the Latin word *principium*, which means *first principle*. We aim to call attention to *first principles* in logical and moral questions in every field in which there

*First four volumes appeared as PROGRESSIVE CALVINISM.

is human action; especially in economics, religion, politics, and business. Those *first principles* should be observed if society is to have real social health and if there is to be genuine harmony.

For us, *morals* are a subdivision of *logic*, in the sense that what true morality teaches must be logical, with logical defined as something which is consistent with the declared objectives. Many ideas are taught as *morality* which can be shown to be inconsistent with the declared or obvious aims. Such cases are (for us) cases of bad logic, but as the objective is usually meritorious, the means must be immoral. How can means that are unsuitable for a good end be anything else except immoral!

With change of name will go a change of policy. We no longer address ourselves to Calvinists specially. We address *all* men — atheists, agnostics, Mohammedans, Confucianists, universalists, unitarians, protestants of all persuasions, Catholics. If we endeavor to teach *first principles* in regard to human action then the message should be addressed to all. (However, our specific Calvinist slant on life will in no way be suppressed. Because it will be avowed, no reader need be apprehensive about there being any subtlety in the new program.)

All this is tentative yet, and we shall be glad to hear from readers who have suggestions. We shall regret losing any readers who might think (erroneously) that the content of *FIRST PRINCIPLES* will fail to harmonize with the content of *PROGRESSIVE CALVINISM* in the past four years.

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Orientation

This issue is the second of a series on the relation of *government and politics* to Biblical principles of morality.

We are using as a starting point the ideas of John C. Calhoun, in his lifetime Senator, Secretary of State, Secretary of War, and Vice-President of the United States. We consider him to be one of the great American thinkers on questions of government and politics, and a man whose ideas were essentially "Calvinistic." (Personally, Calhoun was not an orthodox Calvinist.)

The United States today, as the world's most powerful nation, has begun to "export" a foreign policy presumably based on "American" political ideas. But the ideas we are exporting are not in general Calhoun's political ideas, but those which he opposed.

Unless there is a rediscovery of Calhoun's ideas, there is no good future for any minority group in the United States or elsewhere. If there is no reversal in popular and judicial thinking, the *minorities here and all over the world are destined* for liquidation.

No writer, to our knowledge, sounds so convincing and so ear-piercing a note of warning as Calhoun on the danger of tyranny by "democracy." Calhoun's ideas are of more significance today than at any time since he wrote them.

Calhoun's fundamental and systematic thoughts on government are presented in a book (or booklet) of some 80 pages, entitled *A Disquisition on Government*. We quoted in the November issue from that treatise. We are offering to readers who subscribe now for 1959 a FREE paperbound copy of *A Disquisition on Government*. Because we shall be making extensive references to Calhoun's treatise, readers should have a copy available.

Problems of government are exceptionally controversial. Some of Calhoun's ideas — not all of them — are in the area where it appears impossible for finite minds to state a principle which undoubtedly is universally applicable. Although profound admirers of Calhoun, we shall not ignore these difficulties; rather, we shall emphasize them. If and when we have a different answer, that does not detract from our very great indebtedness for essential aid from the rugged ideas of Calhoun himself. Calhoun was a fertilizing thinker. We are permanently his debtor. We are "working over" the ideas of the great South Carolinian so that readers can do their own thinking on fundamental questions of government.

Calhoun As A Statesman

It is a hallmark of a statesman to *lead* public opinion. It is a hallmark of a politician to *follow* or to *manipulate* public opinion. Calhoun wrote:

I never know what South Carolina thinks of a measure. I never consult her. I act to the best of my conscience. If she approves, well and good. If she does not, or wishes someone else to take my place, I am ready to vacate.

Calhoun's idea was that it is a mistake to cater to the people. He said:

Democracy, as I understand it and accept it, requires me to sacrifice myself *for* the masses, not *to* them. Who

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knows not that if you would save the people, you must often oppose them?

Calhoun obviously was no demagogue; he was not the type which would have been interested in "opinion polls"; clearly he intended to do what was right, as he saw it. He was a born leader of opinion; not a follower. He boldly declared that he was doing his own thinking.

"Not Fit To Associate With Gentlemen"

William A. Seward was one of the founders of the Republican Party. He was the leading contender for the nomination for the presidency against Lincoln in 1860. Lincoln appointed Seward to be his Secretary of State.

Earlier (in 1850) Seward and Calhoun were fellow Senators. Seward declared in a speech that there was a "higher power" than the Constitution, which should decide the slavery question. Calhoun's bitter comment on that was, "With his ideas, he is not fit to associate with gentlemen."

Calhoun was wrong about that. It may be granted that the Constitution and not any other document was and is the basic law of the United States, and that *legally* there was and is no appeal beyond the Constitution. To do something not authorized by the Constitution requires that the Constitution be amended *first*. That is the right procedure.

But the Constitution is not the *ultimate* moral standard or "highest power."

We believe with Seward that there is a "higher [moral] power" than the Constitution. The higher moral authority which we acknowledge is the Decalogue of Moses, which in previous issues we have described as "the constitution of constitutions." Calhoun, we believe, with singular clearness recognized that ultimate moral standard (for *public* as well as *private* affairs) better than any other political writer, except that he had a blind spot on the slavery question. This latter is the oil stain on his great name.

It will be shown later that Calhoun relied, for the defense of freedom, on a compact or agreement formalized (in a constitution), which was founded on legitimate, defensive self-interest. More is required than that, namely, the *general* acknowledgment that the famous laws of Moses are *universally* binding, under all circumstances, in all ages, in all locations.

Calhoun's Awareness Where "Sin" Begins

Where does "sin" begin? Is it "sin" to be as we are created? Does sin originate in the needs of life, or does it begin later during the process of fulfilling the needs of life? Are the "natural" motivations of life sinful, or are only the improper means to satisfy those motivations sinful? These are obviously important questions of moral theory and moral philosophy.

One of the merits of Calhoun as a political and moral thinker is that he does not call "sin" what is not sin, but that he nevertheless clearly shows how sin becomes so general. There is, in this respect, a singular balance in Calhoun's thinking.

To show this we shall repeat extracts from Calhoun's *A Disquisition on Government* already quoted in last month's issue. Calhoun's basic propositions about the nature of man are:

1. Men are essentially selfish (but Calhoun avoids the word *selfish*, as conveying a potentially-misunderstood meaning); his view is that men were *created* to have more interest in themselves than in others; they did not *fall* into that state, but were *created* that way, and are still that way;

2. Men's interests inevitably clash; Calhoun realizes that men are disposed to sacrifice purposes of others rather than their own purposes; and

3. Society is much better off with interests clashing because of selfishness, than it would be if interests clashed because of altruism, because clash there will be as a result of human judgment varying and men being free to act on their judgment. Calhoun accepts the necessity of this choice, and specifically chooses for the individual, because otherwise there would be "boundless . . . disorder" with everybody meddling with the affairs of others.

Here are extracts of quotations:

- (1) . . . while man is created for the social state and is accordingly so formed as to feel what affects others as well as what affects himself, *he is*, at the same time, *so constituted as to feel more intensely what affects him directly than what affects him indirectly through others*, or, to express it differently, he is so constituted that *his direct*

or individual affections are stronger than his sympathetic or social feelings (our italics).

(2) But that constitution of our nature which makes us feel more intensely what affects us directly than what affects us indirectly through others necessarily leads to conflict between individuals. Each, in consequence, has a greater regard for his own safety or happiness than for the safety or happiness of others, and, where these come in opposition, is ready to sacrifice the interests of others to his own. And hence the tendency to a universal state of conflict between individual and individual, accompanied by the connected passions of suspicion, jealousy, anger, and revenge — followed by insolence, fraud, and cruelty — and, if not prevented by some controlling power, ending in a state of universal discord and confusion destructive of the social state and the ends for which it is ordained. This controlling power, wherever vested or by whomsoever exercised, is *Government*.

(3) . . . the stronger feeling or affection of individuals for themselves, combined with a feebler and subordinate feeling or affection for others, is [it should not be doubted] in beings of limited reason and faculties a constitution necessary to their preservation and existence . . . if their feelings and affections were stronger for others than for themselves or even as strong, the necessary result would seem to be that all individuality would be lost and boundless and remediless disorder and confusion would ensue. For each, at the same moment intensely participating in all the conflicting emotions of those around him, would, of course, forget himself and all that concerned him immediately, in his officious intermeddling with the affairs of all others, which, from his limited reason and faculties, he could neither properly understand nor manage. Such a state of things would, as far as we can see, lead to endless disorder and confusion not less destructive to our race than a state of anarchy. It would, besides, be remediless — for government would be impossible or, if it could by possibility exist, its object would be reversed.

Selfishness would have to be encouraged, and benevolence discouraged. Individuals would have to be encouraged by rewards to become more selfish, and deterred by punishments from being too benevolent; and this, too, by a government administered by those who, on the supposition, would have the greatest aversion for selfishness and the highest admiration for benevolence.

These quotations, from early pages of Calhoun's *A Disquisition on Government*, were originally quoted in full in the November issue of PROGRESSIVE CALVINISM, on pages 336, 338 and 340, which see.

In other language, these three propositions become simply: (1) self-interest and freedom to pursue the objects of self-interest are not in themselves wrong nor does it manifest depravity; (2) men are *by their very liberty* brought face to face with the problem of harmonizing their own interests and the interests of their neighbors; and (3) it is great good fortune that men who know so little and are certainly not omniscient are *by creation* minded to look out for themselves rather than to mess into the affairs of everybody else.

What might the contrary doctrines be? These: (1) that man was created to look out for his neighbor and not himself, but that he fell from altruism to individualism and that that was sin! (2) that there originally was no "conflict" possible between men; yes, they may have been created free, but the original creation was so wonderful that freedom nevertheless never permitted any conflict! and (3) that men (or at least some men, great moralists, or those who have seized, or those who were elected to, public office) being themselves unselfish, can direct how others are to sacrifice themselves for their neighbors; or the proposition might be, that everybody else knows so much better than an individual does himself, that they will all be managing everybody's affairs except their own, and that we ourselves shall be managing everybody else's affairs; in other words, two billion people will be regulating our lives, and we shall in turn, in company with 1,999,999,999 others, be determining the lives of everybody else!

Principles are always general. They do not permit exception. Moral principles have the same characteristic. Therefore, men must choose between:

Calhoun's Ideas	vs.	Opposing Ideas
1. self-interest		1. altruism
2. liberty		2. duty
3. collision of interests		3. passive obedience to others
4. a rule for resolving the collision of interests		4. chaos or tyranny

Calhoun chose the principles in the left-hand column. He unqualifiedly rejected *altruism*, which is what most people mean when they use the term, neighborly or brotherly love.

If *altruism* is the initial principle of human society, then liberty is replaced by duty. Liberty is literally obliterated by any acceptance of altruism as the basic principle of society.

If altruism and duty are the basic principles, then we have no option left beyond that, except to submit passively to other people "serving" us in all matters pertaining to ourselves. Actually they will not be serving us, but regulating us. But 1,999,999,999 people doing that will create chaos in our lives. Or, in any event, if order is to be re-established, it will be outside of our action; we shall be subject to what is really the tyranny of others. If altruism is the basic *diffused* principle, then the consequence is chaos; if altruism is the basic *centralized* principle, then the consequence is tyranny.

On the basis of Calhoun's analysis, altruism (what most people call brotherly love) is a great evil. Strangely, leading men in the Christian churches teach altruism as the essence of Christian ethics. They teach that a man is his "brother's keeper." The bond of society is charity, not cooperation! There is a world of difference between the principles of *charity* and of *cooperation*.

Calhoun's system — which is also the Biblical system — must have a corrective in it. He admits that liberty inescapably entails collisions of interest. That is merely a common observation; everybody knows it. It is here that morality and ethics, and right and wrong, begin. What has preceded pertains to the character of creation; what is done to "harmonize" conflicting interests constitutes questions of morality.

The great principle which Calhoun came to in answering the basic question was *noncoercion*. You might not, in Calhoun's system of thought, coerce your neighbor. Everything in his thought, and in the "organization" he wanted for society, was designed to

reduce the coercive factor. When *A*'s interests conflicted with *B*'s interests, the solution, according to this approach, required that neither *A* nor *B* coerced the other, but that they came to the "best" solution possible, namely, the one which involved the smallest concession *A* would make to bring *B* into cooperation with him (*A*), and the smallest concession *B* would make to bring *A* into cooperation with him (*B*). *A*, under this scheme, preferred to concede what he did concede, rather than to forego cooperating with *B*; *B*, in turn, preferred to concede what he did concede, rather than to forego cooperating with *A*. Calhoun wrote: "Our government is founded on freedom and hates coercion."

Calhoun was against coercion by kings, aristocrats, and also by men generally in a democracy. Coercion by a people's government was as obnoxious to him as coercion by a king or an aristocratic clique. The main burden of his thinking about how to organize a government was in regard to preventing a government from being coercive. An important phase of this part of Calhoun's thinking pertained to what he called "the concurrent majority." Those words designated a system designed to prevent men from injuring each other by coercion. We shall describe the idea of a "concurrent majority" later.

Calhoun's system is obviously Biblical. The Christian religion, historically, has taught (1) individualism, (2) liberty, (3) collision of interest, (4) and has pointed to the way to resolve that collision, namely, by five very simple rules: thou shalt not coerce (the Sixth Commandment); thou shalt not commit adultery, that is, rob the neighbor of his mate (the Seventh Commandment); thou shalt not steal (the Eighth Commandment); thou shalt not lie, that is, deceive the neighbor (Ninth Commandment); and thou shalt not covet, that is, poison your own soul, even though you do not act on the covetous thought (Tenth Commandment).

Where does Total Depravity (to use a Calvinist term) enter the picture? At the early point of self-interest? No. At the point of liberty? No. At the point of collision of interests? No. At the point of resolving the collision of interests? Yes. There is where total depravity in ethics occurs unless there is observance of the rules for resolving the collision of interests, according to the ageless precepts of Moses which have just been mentioned.

What Started Calhoun On His Basic Idea?

Opportunities for great deeds and heroic action are never distant. They are before us daily in the insignificant affairs of ordinary living. See the issues clearly at that humble point, and fight for them—and then what? You will find yourself in a great fight for great principles. Standing your ground on *one* issue, no matter how small, if it is a question of right and wrong, will result in more and more evil lining up against you, so that, unless you are courageous and wise, you may succumb. But in any event you will be in a great fight.

What was the question, or issue, or dispute which “sparked” Calhoun’s thinking on basic organization principles for society? A tariff question. That tariff question showed to Calhoun how it was possible to engage in an evil, or in our language to sin against the Tenth Commandment (Thou shalt not covet), and nevertheless *appear not to sin*. Calhoun saw through such skullduggery, and fought it as a moral and political evil.

The Tenth Commandment is considered by some to be a mere repetition of the Sixth, Seventh, Eighth and Ninth Commandments, and really no more. One way to look at the commandment against coveting is that it forbids caressing evil in your mind but *without taking action*. This is itself a Gargantuan sin. It is valid to legislate *morally* against such a psychology.

But in a sense, the Tenth Commandment covers another colossal field. The Sixth through Ninth Commandments can be considered as restraining *individual* action. The Tenth can be looked upon as restraining *group* action. If you coerce your neighbor by individual violence, the “law” should and usually will punish you. But suppose as a voter you pass a law which permits you, together with others, to compel the neighbor to give you something which it would be wrong for you to coerce from him by personal violence. What was the situation? You *coveted*. You did not act yourself *individually*. You did not then, at least so it seems, violate the Sixth Commandment. You may think that you are not guilty at all. But you have simply used *legality* as a cover for your evil. You had two courses open to accomplish your evil: (1) direct action which would have put you in violation of the Sixth Commandment; or (2) no apparent action on your part, except you voted for a law, or you voted for a representative who

you expected would vote for a law, which took from *A*, *by law*, what you wanted but did not dare to take by individual violence. It only *seems* that you took no *action*. You may consider yourself free from violation of the Sixth Commandment, but Moses has nevertheless caught you in his dragnet, the Tenth Commandment. Although you did not act, or did not act directly, you are a gross sinner.

Calhoun's campaign against evil was in an important way a campaign against violations of the Tenth Commandment, that is, evils committed by *A* against *B* under forms of legality, but as if no wrong was being done. The sin in question was one that directly touched Calhoun, namely, robbed him. The thief was the North (the northern states of the United States). The method was the tariff against English manufactured products. Calhoun clearly saw through the disguise. He attacked it. The real situation can be easily described, to wit:

1. The South produced a surplus of raw cotton.
2. The raw cotton could be shipped to cotton mills either in New England in northeastern United States or across the Atlantic to old England.
3. Then to pay for the raw cotton, our New Englanders could ship the South various manufactured items, or the English in Europe could ship similar manufactured items.
4. For a given amount of raw cotton the British overseas were willing to ship back *more* manufactured merchandise, than New England could afford to ship back or was willing to ship back.
5. Therefore, the South wished to sell raw cotton to England and to buy English wares. The people in the northeastern part of the United States *coveted* the business. New England could have employed direct violence to compel the South to sell its raw cotton to the North (that is, New England). The "law" of course would not authorize that. In fact, there was a *better method* to accomplish the *same result*, namely, to rob the South under the form of legality.
6. That method consisted in "passing a law" which would put a "tariff" on British goods coming into the United States. That tariff would be a toll. If cotton was 10c a pound,

and if Northern yard goods made of cotton sold for 50c a yard, but British yard goods for 40c, then the way to stop the British goods from coming in would be to put a tariff of 15c a pound on British yard goods (or other wares). Then the price of British yard goods sold in the South would have to be 55c a yard, or 5c higher than Northern yard goods. And so the North would get the business. Here was no violence. Here was no sin! Everything was legal!

7. Who was hurt by this "legal" action? The South which paid 10c more for yard goods than was necessary. Who else? The Britishers who lost the business; (they would have to find something else to do, but it would be less lucrative than what they lost). And who would gain? The North, which was able to get business at 50c a yard, under the protection of a tariff of 15c a yard.

8. Who passed the law establishing the tariff? The *majority*, of course. Who was the majority? The North. Who were the minority? The South. What was the South entitled to do, in this situation? Nothing? Nullify? Rebel? Secede?

With this simple, graphic case before him, and as one of the victims because he was a cotton planter, Calhoun asked the *general* question: How *organize* in order to protect a minority, any minority, against coercion as has just been outlined? To that, his answer was, the "concurrent majority." The "concurrent majority" was a term Calhoun coined to contrast it with the "numerical majority." Obviously, the North had a numerical majority, and further, it was abusing the opportunity of power residing in the numerical majority. The idea of the "concurrent majority" consisted in the right of minorities to declare null and void laws made by the majority which had the effect of robbing or injuring the minority. The right of the "concurrent" majority was the right of a veto power, or as it became known, the right of nullification. Nullification is the right to resist legalized evil by declaring null and void what is a moral wrong by a majority against a minority. Consider the Amish case which was described in the November issue of PROGRESSIVE CALVINISM.

Tariffs have only one *appearance* — to help somebody; in this case, the North. Tariffs have only one *reality* — to hurt somebody (under the *guise* of helping somebody); in this case, the South.

Calhoun was a powerful, metaphysical thinker but the origin of his ideas was the simple, practical matter just outlined. He protested against an injustice, as all good men should do.

For after all, theft is theft, whether it has been legalized or not.

* * *

"Free trade, Calhoun concluded, had its foundation in truth itself. Not only did it increase American prosperity. It held the nations together in concord. Severe penalties would follow a departure 'from its laws.'" [Margaret Coit, John Calhoun, *An American Portrait*, p. 348.]

* * *

"The protective tariff is a tax that interferes with production and trade. It aims to handicap foreign producers and favor certain domestic producers to the detriment of all domestic consumers. If the rates are high enough, competition from foreign made articles may be wholly denied, giving domestic producers a monopoly." [Hans Sennholz, *The Freeman*, Nov. 1958, p. 4.]

Should There Be A Right Of Self-Determination?

John W. Burgess in 1923, when Emeritus Professor of Political Science and Constitutional Law at Columbia University, published a book entitled *Recent Changes in American Constitutional Theory*, (Columbia University Press, New York). In this book (p. 2) he defines political science as follows:

... political science is a body of principles derived from the genius and historical development of the people subject to the given political system, and is presumed to be, and ought to be, the foundation of its constitutional law, through which it is expressed in the form of authoritative commands and prohibitions.

In the framework of the foregoing, (1) specific laws will depend on (2) constitutional law, and constitutional law, in turn, on (3) principles of political science. (One might go back further than Burgess does and make political science dependent, in its turn, on (4) principles of morality, and principles of morality on (5) the Law of God; and, in order to tie that in with "reason," finally to add that the Law of God is in harmony with (6) the phenomena known as Cause and Effect.)

Burgess then goes on to state six basic "axioms and customs in our political system which were most generally accepted as constituting the substance of our political science as understood at the close of the last century." These six axioms were:

(1) "... the principle of the widest possible scope for free action on the part of the individual and of strict limitation . . . upon the powers of government."

(2) "... sovereignty could not be an attribute of government in American political science, but of an organization of the state nearer to the people than government. This doctrine has been expressed under the formula that government in the United States of America 'is a government of laws not of men.'"

(3) The doctrine of local self-government, by which is meant "that doctrine of sovereign power . . . which . . . distributes the powers of government in detail between general and local government; and [does] so, secondly, on the basis of two most important considerations, the one being the requirement that local government shall have the maximum of powers which it is capable of exercising, and the other that it shall be the recipient of the residuary powers, . . ."

(4) "... all governmental mandate and office are a public trust, to be exercised in strictest independence of all personal interests, prejudices or passions, for the maintenance of individual liberty, the preservation of the public order and the promotion of the general welfare." This differs from Europe which permits a "personal property . . . in governmental office or mandate."

(5) "... the proper boundaries of a sovereign state are those prescribed by physical geography, economic unity and ethnical solidarity, and, in case these elements do not fully coincide, the emphasis is to be placed in the order in which I have recited them." (We shall return to this item.)

(6) "... the sixth fundamental doctrine of the political science of the United States . . . [consists in avoiding] the entanglements of European politics . . . and . . . resistance to the interference of Europe or Asia in the politics of the American continents."

Such were the six policies which Burgess declared constituted the basic political science of the United States in the year 1900. His book develops the idea that those basic policies were breached

shortly thereafter, initially by the administration of Theodore Roosevelt. (That, however, was relatively insignificant compared with what has happened under the administration of Franklin Delano Roosevelt, thereafter, and what is still continuing.)

It is the fifth principle listed by Burgess to which we wish to give special attention. That fifth principle denies what is known today as the right of *the self-determination of people*. Practically every American theoretically subscribes today to the right of any people to "self-determine" to what government they will belong. This slogan "the right of self-determination" obtained extensive currency in the United States during and after World War I, when Woodrow Wilson was President of the United States. The international "settlements" after World War I were based on that principle. Especially, the people in the nations which had just been defeated in World War I were to decide on their respective governments by *plebiscites*. If they wanted to stay with another group they could so vote; if not, they could vote to be a separate group and a separate nation. By appeal to this principle, namely, the right to self-determination, the Austro-Hungarian empire was fragmentedized into Austria, Yugoslavia, Hungary and Czechoslovakia.

By affirming that this principle is sound and is a proper ground for appropriate action, the United States in recent years has been systematically weakening or helping destroy the ties that have bound the various European countries to their so-called colonies.

Because the United States today accepts the principle of "the right of self-determination" it is generally promoting the undermining of established political order. It has, for example, undermined the position of The Netherlands in Indonesia; of England in India and Egypt; of France in the Far East and the Near East, and is continuing to do it in North Africa; etc., etc.

But, curiously, in 1923 Burgess was writing that in 1900 the policy of the United States was the exact opposite, viz., the United States (so he wrote) did not believe then in "the right of self-determination" but instead that boundaries between government should be based on military, business and/or race-language considerations; his exact terms are "physical geography, economic unity and ethnical solidarity."

Do we, as a people in the United States, today really believe in the doctrine of "the self-determination of people" or in the

contrary doctrine outlined by Burgess, namely, that people belong together or should be under separate governments depending on whether there are no mountains, rivers or oceans dividing them; or because they do business together; or because they are of the same race and have the same language? Burgess says that it is not the inclinations of the people, but physical realities which should determine boundaries between nations and governments.

Americans may be disposed to differ with Burgess on this question. They will say that it is not the policy of the United States, or should not be its policy, to determine borders between nations on the objective bases of geography, economics and race, with (as Burgess says) weight given to each factor in the order mentioned. But is Burgess, who was a prominent figure in political science and jurisprudence in his day, to be declared, blandly, to have been mistaken? And where may Burgess have got his apparently "un-American" idea?

Burgess felt obliged to declare this principle because we had denied the right of self-determination to the South, and because in 1860-64 we had fought a bloody civil war to force the South to remain in the federal union. If the right of self-determination of people is a right which we are genuinely and honestly willing to accept, then the North was not justified in compelling the South to remain in the union.

Actually, in the United States, the history of thought on the right of self-determination has not been consistent. In the Revolutionary War we declared that *we* had the right of self-determination, namely, the right to separate from England. In the Civil War we declared exactly the opposite; although the United States was limited to being a federal union of *sovereign* states, we declared that no state or states might secede. Then, beginning with World War I, we reasserted the principle of the right of self-determination *for other people*; and since World War II we have been *undermining* the existing political structure of the world by insisting on its universal application. We would be consistent today only if we declared that we are now prepared to tolerate the secession, based on the right of self-determination, of any state of the United States by a simple plebiscite indicating that it wishes to secede.

There appears to be some hypocrisy and sanctimony involved in the contradiction between our own internal conduct and in our foreign policy. It is certain that if a section of our own nation today demanded the right of self-determination we would refuse it to them. But for the rest of the world we appear to be agitating to promote splintering the various communities into as many fragments as dissentient groups wish.

There is reason to believe that the northern states were indeed *exploiting* the southern states, in the first half of the nineteenth century, by the tariff policy which the North was able to vote into existence by reason of it having a *numerical* majority in congress. The evidence is, in fact, conclusive that the North was "robbing" the South, by the tariff the North put into operation. Probably, the South was exploited more by the tariffs of 1828 and 1832 than any colony today is being exploited by its mother country (excepting Russian exploitation). (The Brookings Institution in the 1940's published a book showing that the evidence was not available that Japan had exploited Korea, but that it had probably put more wealth into Korea than she (Japan) had taken out of Korea!)

Calhoun himself was no rash secessionist. He loved the federal union. But he was profoundly disturbed by the exploitation of the South by the North by means of the tariff. Rather than secession Calhoun favored nullification. South Carolina, in fact, passed an act nullifying the application of the Tariff of 1832 within the boundaries of the state of South Carolina. President Jackson in 1833 had the wisdom to recommend a reduction of the unfair and burdensome tariffs, and a reduction was made; then the Nullification Act was repealed by South Carolina.

But which side was right *in principle* — on one side (1) the thirteen original states in the Revolutionary War; (2) the Southern states in the tariff controversy; (3) John Calhoun; and (4) the people of the United States *today*, all of whom accepted (or still accept) the right of self-determination? or on the other side, was the North right in principle in the Civil War, and Lincoln, and Professor John W. Burgess, all of whom denied the right of self-determination?

Burgess quotes Lincoln in support of his Fifth principle. Burgess wrote (p. 7): "Lincoln, when the slave-holders claimed under the now so-called principle of 'the self-determination of

people' that they had the right to secede from the United States . . . said, 'Physically speaking, we cannot separate. We cannot remove our respective sections from each other, nor build an impassable wall between them.' " (See Lincoln's *First Inaugural Address*, *Lincoln's Speeches*, selected and edited by G. Mercer Adam, A. L. Burt Company, New York.) Here is a plain statement that *physical geography* determines which people belong together; that at any rate is Burgess's interpretation. In his *second annual message to Congress* Lincoln reiterated his view: "A Nation may be said to consist of its territory, its people and its laws. The territory is the only part which is of a certain durability. It is of the first importance to duly consider and estimate this ever-enduring part;" this is also quoted from evidence submitted by Burgess.

The evidence is substantial that, confronted with a specific case, Lincoln repudiated the principle of "the right of self-determination." He declared in his First Inaugural Address: "Plainly, the central idea of *secession is the essence of anarchy*." Burgess concludes: "In Lincoln's political philosophy, thus, the self-determination of peoples unsupported by the conditions of natural physical boundary is secession pure and simple, no matter with what rhetoric it may be presented, and our Civil War cast this doctrine out of our political science completely and forever."

Although Burgess makes that broad declaration, it is apparently an erroneous statement. It should read that the right of self-determination is forever (?) rejected for the United States *internally*, but is in contrast fully to be applied by us in our foreign policy wherever we can successfully intermeddle in the affairs of other people.

Obviously, the moral position of the United States on this question of the self-determination of people is seriously compromised. Our position has an element of falseness in it; of hypocrisy; of sanctimoniousness. We have one rule *internally*, and a contrary rule *externally*.

Summarizing, in order to designate one and the same idea two terms are being used, namely, the term "the right of self-determination" and "secession." The first term sounds noble and fine; the second sounds dangerous and dubious. There is a very small difference between the two, to wit, the first term, "the right of self-

determination" is broader than "secession"; *secession* is merely one privilege under the "right of self-determination." A people, for example, might decide not to secede. They would also be exercising the right of self-determination when they made that decision.

Should we not challenge the foreign policy of the United States when it stands for the "right of self-determination," a right which Lincoln called the "essence of anarchy"?

Two of the greatest men whom the United States has produced are Calhoun and Lincoln. Both were rigorous and sagacious reasoners. On the question of "the right of self-determination" (or in a specific case, of secession) they disagreed or seemed to disagree. In later issues we shall endeavor to analyze the merits of their relative positions. Let every man make his own choice; but whatever choice it is, it will be momentous for the remainder of his political science.

Lampooning Calvinism — Holmes' "The Deacon's Masterpiece"

This article and the two which follow are related. They constitute a closing attempt to give a perspective on the novel doctrine of Common Grace.

Oliver Wendell Holmes (1809-1894), well known American writer of prose and poetry, was born and lived in New England, the old territory of the Puritan Calvinists.

Holmes wrote a poem entitled, "The Deacon's Masterpiece" or "The Wonderful 'One-Hoss Shay.'" It has a subtitle "A Logical Story." "Hoss" is obviously a Yankeeism for horse; and "shay" is also a lampooning kind of word, as it is a corruption of *chaise*. A *chaise* is a two-wheeled, one-horse vehicle for two persons.

The butt of Holmes' humor in this case is Calvinism. His poem follows:

The Deacon's Masterpiece, or The Wonderful "One-Hoss Shay," A Logical Story

Have you heard of the wonderful one-hoss shay,
That was built in such a logical way
It ran a hundred years to a day,
And then, of a sudden, it — ah, but stay,
I'll tell you what happened without delay,
Scaring the parson into fits,

Frightening people out of their wits, —
Have you ever heard of that, I say?

Seventeen hundred and fifty-five.

Georgius Secundus was then alive, —
Snuffy old drone from the German hive.

That was the year when Lisbon-town
Saw the earth open and gulp her down,
And Braddock's army was done so brown,
Left without a scalp to its crown.

It was on the terrible Earthquake-day
That the Deacon finished the one-hoss shay.

Now in the building of chaises, I tell you what,
There is always *somewhere* a weakest spot, —
In hub, tire, felloe, in spring or thill,
In panel, or crossbar, or floor, or sill,
In screw, bolt, thoroughbrace, — lurking still,
Find it somewhere you must and will, —
Above or below, or within or without, —
And that's the reason, beyond a doubt,
That the chaise *breaks down*, but doesn't *wear out*.

But the Deacon swore, (as Deacons do,
With an "I dew vum," or an "I tell *yeou*")
He would build one shay to beat the taown
'N' the keounty 'n' all the kentry raoun';
It should be so built that it *couldn't* break daown:
— "Fur," said the Deacon, "'t's mighty plain
Thut the weakes' place mus' stan' the strain;
'N' the way t' fix it, uz I maintain,
Is only jest
T' make that place uz strong as the rest."

So the Deacon inquired of the village folk
Where he could find the strongest oak,
That couldn't be split nor bent nor broke, —
That was for spokes and floor and sills;
He sent for lancewood to make the thills;
The crossbars were ash, from the straightest trees,
The panels of whitewood, that cuts like cheese,
But lasts like iron for things like these;
The hubs of logs from the "Settler's ellum," —
Last of its timber, — they couldn't sell 'em,
Never an axe had seen their chips,
And the wedges flew from between their lips,
Their blunt ends fizzled like celery-tips;
Step and prop-iron, bolt and screw,
Spring, tire, axle, and linchpin too,
Steel of the finest, bright and blue;
Thoroughbrace bison-skin, thick and wide;
Boot, top, dasher, from tough old hide
Found in the pit when the tanner died.
That was the way he "put her through." —
"There!" said the Deacon, "naow she'll dew!"

Do! I tell you, I rather guess
 She was a wonder, and nothing less!
 Colts grew horses, beards turned gray,
 Deacon and deaconess dropped away,
 Children and grandchildren — where were they?
 But there stood the stout old one-hoss shay
 As fresh as on Lisbon-earthquake-day!

EIGHTEEN HUNDRED; — it came and found
 The Deacon's masterpiece strong and sound.
 Eighteen hundred increased by ten; —
 "Hahnsum kerridge" they called it then.
 Eighteen hundred and twenty came; —
 Running as usual; much the same.
 Thirty and forty at last arrive,
 And then come fifty, and FIFTY-FIVE.

Little of all we value here
 Wakes on the morn of its hundredth year
 Without both feeling and looking queer.
 In fact, there's nothing that keeps its youth,
 So far as I know, but a tree and truth.
 (This is a moral that runs at large;
 Take it. — You're welcome. — No extra charge.)

FIRST OF NOVEMBER, — the Earthquake day —
 There are traces of age in the one-hoss shay,
 A general flavor of mild decay,
 But nothing local, as one may say,
 There couldn't be, — for the Deacon's art
 Had made it so like in every part
 That there wasn't a chance for one to start.
 For the wheels were just as strong as the thills,
 And the floor was just as strong as the sills,
 And the panels just as strong as the floor,
 And the whipple-tree neither less nor more,
 And the back-crossbar as strong as the fore,
 And spring and axle and hub *encore*.
 And yet, *as a whole*, it is past a doubt
 In another hour it will be *worn out*!

First of November, 'Fifty-five!
 This morning the parson takes a drive.
 Now, small boys, get out of the way!
 Here comes the wonderful one-hoss shay,
 Drawn by a rat-tailed, ewe-necked bay.
 "Huddup!" said the parson. — Off went they.
 The parson was working his Sunday's text, —
 Had got to *fifthly*, and stopped perplexed
 At what the — Moses — was coming next.
 All at once the horse stood still,
 Close by the meet'n'-house on the hill.
 — First a shiver, and then a thrill,
 Then something decidedly like a spill, —
 And the parson was sitting upon a rock,

At half-past nine by the meet'n'-house clock, —
 Just the hour of the Earthquake shock!
 — What do you think the parson found,
 When he got up and stared around?
 The poor old chaise in a heap or mound,
 As if it had been to the mill and ground!
 You see, of course, if you're not a dunce,
 How it went to pieces all at once, —
 All at once, and nothing first, —
 Just as bubbles do when they burst.

End of the wonderful one-hoss shay.
 Logic is logic. That's all I say.

Note the references to the deacon, the parson, the meeting-house (church) on the hill. These direct attention to the idea that the poem refers to religion.

Note also the last line, "logic is logic," referring apparently to something in religion which is, or which is alleged by religion to be, logic.

Note further the alleged *quality* of the material which went into the chaise. Note that it held together marvelously for exactly one hundred years. Note its peculiar end — it suddenly and completely collapsed into a heap of dust; everything failed *at the same second*. Here apparently there must be a reference to a logic that is all right in perpetuity (apparently designated by the one hundred years), but there is something that can do something to the "logic" and then the whole system collapses. There is nothing left.

The *shay* is (we are told) Calvinism. The perfectly adjusted parts are:

1. The sovereignty of God, and
2. The responsibility of man.

These two ideas constitute the foundation stones of Calvinism. But those two ideas are logically contradictory, that is, they are antinomies; if God is sovereign, that is, if He regulates everything, then men cannot logically be held responsible. But if men are responsible, are "free agents," can do what they please and can control their destiny, then God is no longer sovereign, because men are independent. And so, the acceptance of those two contradictions — these antinomies — involves a major logical problem.

Traditional Calvinism has boldly accepted the contradictions. It freely admits it cannot reconcile them. It can have no God

worth mentioning if He is not sovereign. It can have no men who are moral beings if they are not responsible.

Accept the antinomy and proceed from there. Then what do you get? A beautiful system — a perfect chaise, a carriage that will run forever. Everything can be "rational." Grant the first basic "inconsistency," and for the rest you can have a reasonable and sensible system. Men and generations go, but Calvinism, the system of thought based on the sovereignty of God and the responsibility of man, will survive.

Now refuse to accept the contradiction. Refuse to grant the *simultaneous* existence of the sovereignty of God and the responsibility of man, and then what? Holmes' answer is that the whole system of Calvinism collapses suddenly and completely in a heap of dust, "As if it had been to the mill and ground."

There are various kinds of Calvinists. (1) A few stress strongly the sovereignty of God, but are not happy with the idea of the responsibility of man. (2) Many stress strongly the responsibility of man, but they are not happy about predestination and reprobation (two cardinal doctrines based on the sovereignty of God). (3) Some keep fast hold of both doctrines; they are happy to accept the antinomy, the contradiction; they are genuinely happy about *both* the sovereignty of God *and* the responsibility of man. It is the ideas of this third class, which are like the deacon's shay; they last forever (for the 100 years designating perpetuity).

PROGRESSIVE CALVINISM belongs to the third group.

However, having accepted these two propositions, constituting an inescapable antinomy, we are not prepared to accept every additional antinomy with which modern Calvinism may have burdened itself — for example, (1) the social gospel doctrine of *agape* (unmotivated love) and the antinomy between that idea and the idea of man's individual moral responsibility; or (2) the antinomy between obeying those in authority versus obeying the Law of God; or (3) the antinomy that God loves and hates the reprobate simultaneously.

Supplement

The following is taken from the "Critical Comments" on page 669 of Percy H. Boynton's *American Poetry*, (Charles Scribner's Sons, New York, 1918). This explanation differs somewhat from the preceding explanations.

The best and most famous example of all the satires is "The Deacon's Masterpiece or, The Wonderful 'One-Hoss Shay,' a Logical Story." Holmes had been brought up under the austerities of Calvinistic theology. It was a creed derived not from the consciousness of God as he was daily revealed in nature and mankind, but from the interpretations put upon the Scriptures by a grim sect of theologians. They assumed that through the sin of Adam—one recalls no mention of Eve—all mankind had incurred the eternal wrath of God; that the intervention of the Mediator had earned for certain of the Elect an immunity from future punishment; but that these happy few had been elected, not on account of any desert of their own, for they deserved nothing, but by the arbitrary exercise of God's will. Starting from these assumptions, the Calvinistic preachers of New England composed sermons in such a logical way that there was no escape from their awful conclusions. So it happened that with the revolt of the 19th century the creed broke down, though it couldn't wear out. This gives the whole point to the emphasis upon logic, the truth, the parson, the sermon, and the collapse in front of the "meet'n'-house."

Calvinist Predestination And Mohammedan Fatalism

Predestination is the distinctive doctrine of that branch of the Christian religion known as Calvinism. Predestination has two phases, one luminous as the sun and the other black as the night. The first is the doctrine of election to salvation; the second is the doctrine of reprobation to perdition.

Those who are hostile to any doctrine of predestination, or who are at least unwilling to emphasize the doctrine of predestination, sometimes declare that John Calvin was a product of that contributory stream of medieval thought which sprang from two Moorish philosophers who were Mohammedan fatalists, Avicenna (980-1037) and Averroes (1126-1199). We are not qualified historians of the thought of the scholastic era, and have no opinion on the truth or untruth of the allegation that any acceptance of predestination in Roman Catholic thought, and its strong emphasis in Calvinist thought, is simply an off-shoot of Mohammedan fatalism (of which possible origin those who profess belief in predestination may not be aware).

Rafael Sabatini, the historical novelist, wrote a novel of adventure, entitled *The Sea Hawk*, the story of an English gentleman kidnapped from his Cornish home, shipwrecked, made galley-slave, but who escaped and eventually temporarily became an Algerian

pirate and a Mohammedan. He acquired the Algerian name, equivalent to our *Sea Hawk*.

This renegade Christian, admonished about his proposal for further desperate action which might damn his character and soul still more, seeking to justify his proposed conduct by an appeal to predestination or to Mohammedan fatalism, whatever you may wish to call it, gave this answer:

I have but fulfilled the destiny which in His Omniscience Allah [God] has marked out for me. . . . My life has been as He designed it, since naught may exist or happen save by His Will. Shall I then fear damnation for having been as God fashioned me? [Rafael Sabatini, *The Sea-Hawk*, p. 333, Grossett and Dunlap, New York.]

Distinctions regarding the differences between Mohammedan fatalism and Calvinist predestination are outside the scope of this publication, but the fallacy in this statement will be apparent to any good Calvinist.

It is easy, by being careless in regard to problems which arise because of belief in predestination, to fall into logical difficulties of a serious or even ludicrous kind.

A Self-Imposed Logical Difficulty, A Cul de Sac

If something illogical (but maybe unnecessarily so) is accepted by intelligent people there must be an explanation, difficult as it may be to find it.

The denomination to which the writer belongs accepts a doctrine of so-called "common grace" which teaches what appears to be an absurdity, namely, that God *simultaneously* loves and hates the reprobate. (A reprobate in Calvinist theological terms is some one not selected by God for salvation but destined for damnation.) How could sensible people have been induced to accept such a doctrine? Suppose a man vigorously told his wife simultaneously: "I love-hate you, or I hate-love you" and that the wife had reason to fear that, despite the contradictory statement, her husband had a general plan which involved her eventual destruction. Would she believe the whole statement, or only the part, "I hate you"?

That is the problem in the dogma of predestination, which is

the cardinal tenet of Calvinism. Predestination, according to Calvinist dogma, has two phases: (1) the election of the saved; and (2) the reprobation of the lost. The election of the saved does not cause too great logical difficulties; it can, in a sense, be defended with some success. But the reprobation of the lost can put Calvinist doctrine in a very difficult position. Here for example is a man who has been predestined to be lost — to be reprobated; according to human logic God cannot love him, because of the end destined for him. But then the question arises, how can that be reconciled with God's love, and his alleged *general* offer of salvation in the preaching of the gospel? Either that general offer does not exist and God only hates the reprobate; or else God loves and hates simultaneously. And so some Calvinists have come to the doctrine of common grace, that is, God loves and hates the reprobate *simultaneously*. Who, intentionally or unintentionally, ran them into that apparently nonsensible trap, or *cul de sac*?

In the early 1920's a brilliant young preacher in the denomination unflinchingly taught that God loves the elect *and hates the reprobate*. This is indeed taught in the *Canons of Dort*, one of the "standards" of the denomination. It should be noted, however, that although the Canons teach that, they also warn against the *fixation* of attention on the doctrine of predestination, because of the confusion and disquiet which that may cause. The candid preaching of this young preacher about reprobation brought about (1) the formulation of the amazing doctrine of God's simultaneous love and hate, and (2) his excommunication and that of his associates. He lost; the denomination won!

But such a victory is a Pyrrhic victory. A few more like that, and the denomination will be saddled with logical antinomies which will make it a subject of amusement.

In contrast, what *logical* position might the denomination have taken? (Grant that a firm grip on the grim Calvinist doctrine of predestination had already been lost, what might have been salvaged without being nonsensical?) Was it inescapably *necessary* (in order to "protect" the reputation of God) to say that although He hated He also loved, and thereby to be committed to the proposition that He loved and hated one and the same person *simultaneously*?

It is one thing to accept the Calvinist antinomy (an unfath-

omable inconsistency) of the sovereignty of God and the responsibility of man, which cannot be reconciled,* but shall we proceed from antinomies to irrationalities and declare that *God is inconsistent with himself*—loving and hating *simultaneously*? This is driving Calvinism into a logical *cul-de-sac* with a vengeance.

Behind that answer there lies unfortunately a primitive cosmology or conception of the way that the world is organized. That primitiveness has sucked the denomination into a logical sack. The denomination appears to have accepted the premise that the world is organized on two contrary principles—good and evil, like the old Zoroastrian principle. The evil is sin, and the good is grace. There is nothing that equates between them. There is an endless battle between sin and grace. Those are the *only* two realities. When you look through the lens on the left eye, you see *sin*; when you look through the lens on the right eye, you see *grace*. You never see with either lens an *ordered* society; you never see legitimate self-preservation or profitable division of activity;** those two things were apparently never realized to be able to hold society together. Instead of an act of creation being adequate to hold society together, it was assumed that only grace can restrain and inhibit the effects of sin; nothing, it was assumed, in the structure itself could frustrate sin; there was no automatic corrective built into the system. In short, the unstated cosmological assumption consisted in the idea that creation was not an un-wreckable job; it would not hold together, unless God works—by grace—continuously and hard at salvaging it, as a shipwrecked sailor bailing water out of his lifeboat.

If the denomination had understood *how* the world had been created (or organized) namely, that a law governing human relationships (which carries the name of Ricardo's Law of Association) showed clearly that continuous grace, as the opposite of continuous sin, was not necessary in order to sustain society, but that two ingredients which God put into creation (self-preservation and unequal inequality) would make society hold together without *continuous* grace, then the acts of predestination and creation could play out their courses in time without it being necessary for God to love the reprobate continuously, just because, if He did not, the world would otherwise fall apart.

*But has a certain "high rationality."

**See July 1958 issue of PROGRESSIVE CALVINISM, pp. 207ff.

In short, a defective doctrine of creation (of cosmology) has induced a denomination to teach a doctrine that might be described as being hideously illogical. Solutions of this kind bring religion into disrepute. What is needed is a sound cosmology and a supra-lapsarian view of predestination. Then religion and science are reconcilable.

Society is "held together" by the unchangeable characteristics implanted in it *by creation*. Any explanation that society is "held together" by Providence is ambiguous and really meaningless unless Providence is explicitly defined; but, of all possible explanations of what holds society together, the most superficial is common grace, the doctrine that God loves-hates the reprobate *simultaneously*.

The antinomy of the sovereignty of God and the responsibility of man is an asset to Calvinism. But it can never be an asset to Calvinism to teach that God is inconsistent with Himself — loving and hating the reprobate *simultaneously*.

Final Summary Of Major Propositions Presented In Progressive Calvinism

Four years ago we chose the name, PROGRESSIVE CALVINISM.

In regard to the term, *Calvinism*: As a way of life, in the field of ethics, Calvinism flourished from the sixteenth through the nineteenth centuries in England, Scotland, Switzerland, the Netherlands and the United States. These are the centuries that cover what is known as the *industrial revolution*. Calvinists were in the forefront of that phenomena. Max Weber, the well-known sociologist, went so far as to ascribe the rise of the industrial revolution to the spirit of Calvinism. We have shown that what Weber quotes from sixteenth-century Calvinists as expressions of their basic life view *are identical with the views that have been outlined in PROGRESSIVE CALVINISM*. If the Calvinist leaders in the heyday of Calvinism were properly called Calvinists, then the ideas which we have presented — which are in perfect harmony — are also properly to be considered truly Calvinistic.

In four years no one has questioned our Calvinism. However, we have been dubbed, by some, as *reactionary* Calvinists. We are called reactionary by those who say that they themselves are Calvinists, but who repudiate and ridicule the basic ethical principles of the early Calvinists. These modern so-called "Calvinists" are

not entitled to the name of Calvinists, if the rule should be that the meaning of terms should not be reversed. It is they who, in the field of ethical ideas, are not *historical Calvinists*.

In regard to the term, *Progressive*: Many ideas accepted by present-day Calvinists have been challenged in PROGRESSIVE CALVINISM. The grounds for that are that the ideas were (1) exaggerated Biblical interpretation, or (2) unnecessarily inconsistent, and (3) that the advances in knowledge in the so-called social sciences, especially in the science of economics, threw new light on Biblical principles so that they have become more valuable for modern living.

(1) As an example of *exaggerated* Biblical interpretation, the modern doctrine of brotherly or neighborly love may be cited. This doctrine has been exaggerated in modern thinking to mean that we are our brother's keeper, that the basic motivation of men should be altruism, that *charity* is the great bond of society (not *cooperation*). These exaggerations, which are viewed as absurd by people who are realists, have been designated by the use of one of the Greek words for love, namely, *agape*. Most modern Protestantism holds more or less to an *agape* religion.

Declaring that the *agape* doctrines are absurd and sanctimonious, neighborly love has been defined in PROGRESSIVE CALVINISM as liberty allowed to every neighbor and to self, except for the limited restriction of not harming the neighbor; to that was added the requirement of Biblical charity; and further the two New Testament emphases were included (a) of genuine forbearance and forgiveness, and (b) the declaration of the gospel. This is simply the historical doctrine of *controlled individualism* versus *boundless altruism*.

(2) As an example of attention which has been given to doctrines which were *unnecessarily inconsistent* the prevailing doctrine concerning original man may be cited. Adam is ordinarily considered to have been living in perfectly ideal circumstances in the Garden of Eden. That is an obvious romantization of the actual Biblical record. Scripture makes inescapably clear that Adam from the beginning was poor, lived under adverse circumstances, and was not even a stone age man. This is not a new doctrine but as old as the Pentateuch. By unequivocally accepting that fact, a different cosmology regarding the character of creation has been outlined. This has stayed within the bounds set by the

fully tolerated supralapsarian view of creation and is in accordance with the nature of things. That permits the common sense doctrine that the Fall of Adam did not, for example, change the laws of gravity or the weather. The result is a cosmology comfortably related to common sense and modern science.

As another critical example of inconsistency or vacillation, we have given major attention to doctrines about the state (government). There is a lamentable inconsistency among Christians about whom to obey: God or men. There is an influential school which declares that we must obey the government as the representative of God; this is in fact the dominant school. We hold the contrary view, namely, that the revealed will of God must be obeyed, individual men, groups of men (unions), and government to the contrary notwithstanding. This is admitted to be a revolutionary (although ancient) principle. We have disputed that there is any pipe line of power from God to any man. We have denied that those in authority have any *charisma* direct from God. No government is legitimate which assumes more authority than an individual has or has had. Governments get a transferred authority; not a new authority. All legitimate governments derive their legitimacy from the Law of God and have no legitimacy when they violate the law of God. No government has legitimacy which does not tolerate opposition. Toleration of opposition is proof that there can be no charisma direct from God to governments.

(3) In PROGRESSIVE CALVINISM we have espoused capitalism, or more exactly *laissez-faire* capitalism. It is the *only* system that is consistent with Biblical ethics. We have not declared that no sins have been committed under *laissez-faire* capitalism; that would be absurd. We have asserted that the *principles* of *laissez-faire* capitalism, namely, (a) *liberty*, (b) but *no liberty to do wrong*; (c) plus *cooperation* are the basic principles for organizing society; those positive principles need to be supplemented by some charity which must be voluntary; and also, finally men have one unlimited obligation to each other (the only unlimited one) to "get each other's thinking straight on everything" by the "gospel" in the broadest sense, but especially in regard to a man's relation to his Creator. The foregoing ideas (except the gospel part) are known as *Individualism*.

The contrary ideas can be of one kind only, and have only one

correct designation, *Collectivism*. Collectivism is the principle underlying interventionism, socialism and communism. It is a hallucination to think that there is an intermediate system (interventionism or *dirigisme*) which has the merits of individualism and collectivism and none of the demerits of either.

The *principles* underlying society are not charity nor sentimental love, but *unequal inequality* (determined by creation) and the resulting benefits which are derived from *cooperation*, according to Ricardo's Law of Association. Inequality and cooperation constitute the major factors in brotherly love; charity is a supplement, albeit important.

In the field of economics we have shown that the *accumulation of capital per capita* is the *only basis* for a rising standard of living. The unions, for example, have contributed *nothing* to human prosperity because they have not contributed to the accumulation of capital; they have only influenced the direction in which the benefits from increasing capital are to be channelled — more leisure versus more income. Unions are the greatest iniquity in

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The Last Issue Of Progressive Calvinism

This issue completes four years of PROGRESSIVE CALVINISM. A total of 1,520 pages of material, on rather varied subjects, have been presented — especially in the fields of ethics and economics, with excursions into politics, theology, epistemology, psychology, cosmology.

Beginning January, 1959, the name of the publication will be changed to:

FIRST PRINCIPLES IN MORALITY AND ECONOMICS

*on which depend personal well-being, and
the general health and harmony of society.*

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The character of the publication will be changed so that it is properly addressed to the *general public* and not restricted to Protestants of Calvinist persuasion. There will be no change in ideas, except that sectarian doctrines will get less attention. However, the general method of presentation and the general emphasis

will be different, namely, the new publication will be more in the practical field of everyday living. The questions discussed will pertain to: what is right and what is wrong? What will promote genuine and abiding happiness? What will stimulate genuine cooperation and helpfulness among men? How love your neighbor *as yourself* — but no more (because to "love" him more than self is destructive of society)? How do what is called morality and what is called economics coincide, and why? What will promote the general health of society and improve individual well-being?

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America, being based essentially on violence or the threat of violence, a direct violation of the Sixth Commandment.

Further, we have shown that present-day capitalism harbors within itself a systematic iniquity, namely, a voluntary variation in the quantity of money. We have shown how that evil developed "naturally," causing the business cycle. We have declared that God is not mocked, and that His law against theft cannot be flouted (even when in a subtle form) without penalty. We have declared that modern capitalism's "sin will find it out."

In the field of epistemology we have followed the critical method of William of Occam (or Ockham), the famous medieval scholasticist, who ushered in the modern age. He reacted against words — words, *words*, WORDS — one piled on another. We react similarly to piling words on words without meaning or with obscure meaning; for example: *providence* piled on top of natural law and theistic government, and then *common grace* on top of providence. We have cited many other examples, and have challenged the whole mentality.

Such ideas and many others have been investigated. As business people outside the (in some respects) make-believe world of religion, we have observed that men will give lip service to irrational, unBiblical and unsound ideas, but fundamentally they reject matters on which religion is obviously wrong. Unless there is "rebirth" — a rediscovery of FIRST PRINCIPLES — Calvinism will not survive as a vital force in society.

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