

1990

Easy Credit and Public Confidence

Steven Alan Samson

Liberty University, ssamson@liberty.edu

Follow this and additional works at: https://digitalcommons.liberty.edu/gov_fac_pubs

Recommended Citation

Samson, Steven Alan, "Easy Credit and Public Confidence" (1990). *Faculty Publications and Presentations*. 37.

https://digitalcommons.liberty.edu/gov_fac_pubs/37

This Article is brought to you for free and open access by the Helms School of Government at Scholars Crossing. It has been accepted for inclusion in Faculty Publications and Presentations by an authorized administrator of Scholars Crossing. For more information, please contact scholarlycommunications@liberty.edu.

EASY CREDIT AND PUBLIC CONFIDENCE

Steven Alan Samson

The sharp boundaries that once distinguished public from private concerns are more confused today. The character of modern politics is at least partly responsible.

In Democracy in America (1835), Alexis de Tocqueville observed that democracy was erasing the distinctions which separated the social classes in European monarchies and aristocracies. In place of an elaborate hierarchy of orders and classes, a more narrowly utilitarian view of democracy as a mutual aid society was being substituted.

Each man being equally weak would feel a like need for the help of his companions, and knowing that he would not get their support without supplying his, he would easily appreciate that for him private interest was mixed up with public interest."

This utilitarian view of politics has tended to elevate what politicians call **logrolling** -- mutual aid in the form of cooperative backscratching and nest-feathering -- to the status of a universal principle. Indeed, Calvin Coolidge's remark that "the business of government is business" suggests that some see the cash nexus of our economy -- or the cash-**and**-credit nexus -- as the cement that seals the social bond. But does it really hold?

Whatever binds society together is its **religion**, a word that is derived from the Latin *religare*, meaning "to bind up or fasten." But we of this era seem intent on setting every captive loose. Thus the binding that once gave substance to the idea of western civilization has been loosened. Randolph Bourne could understandably write in 1918 that "war is the health of the state." Of course, if that were really the case, peace would be a disease! But this slogan, like the one about business, confuses cause and effect. It takes a mercantilist view of politics and economics. If the arms business is profitable to "the merchants of death," it must somehow profit the state. Do some states thrive on war? Perhaps in exceptional cases, but only if they are healthy enough for its citizens to voluntarily make common cause. A state that confuses regimentation with a healthy social bond has already begun its slide into oblivion.

It might be better said that what is healthy or **salutary** to the state is fiduciary in character. The word **fiduciary** is derived from the Latin *fides*, meaning "faith," while salutary is derived from the Latin *salus*, which is the root of "salvation." The recognition that health and confidence -- the trust that accompanies (*con-*) faith (*fides*) -- are somehow linked is by no means restricted to Christian Science and Seventh-Day Adventism. As the Apostle Paul wrote, "By grace are ye saved through faith; and that not of yourselves: it is a gift of God" (Eph. 2:8).

If it is a gift, it first must be given. It eludes those whose trust is in riches. Since greedy hands cannot grasp it, this raises the perennial question: "Who then can be saved?" (Mark 10:26). Jesus replied that "with God all things are possible." (Mark

10:27)

Our problem is a lack of faith and our plea takes the form of a paradox: "Lord, I believe; help thou my unbelief." (Mark 9:24) The Apostle Paul wrote that "faith cometh from hearing, and hearing from the word of God." (Rom. 10:17) Our storehouse of capital is in heaven (Matt. 6:19-21). Yet the evidence of bankruptcy is everywhere around us. We also know that God condemned his people in these words: "Hear ye indeed, but understand not; and see ye indeed, but perceive not. Make the heart of this people fat, and make their eyes heavy, and shut their eyes; lest they see with their eyes, and understand with their heart, and converted, and be healed." (Isa. 6:9-10)

If religion binds with a centripetal force, what do we call the centrifugal force that loosens these ties, other than sin? Consider what a bloody this century this has been! The poet William Butler Yeats lamented the condition of modern man when he wrote:

Things fall apart; the centre cannot hold;
Mere anarchy is loosened upon the world,
The blood-dimmed tide is loosed, and everywhere
The ceremony of innocence is drowned;
The best lack conviction, while the worst
Are full of passionate intensity.

External pressure from a fearsome enemy is a poor substitute for internal self-government. War is a poor substitute for faith. A reliance on fear and envy is as futile as trying to supply a sound medium of exchange in the absence of capital assets.

In twentieth century America, we live and die by credit. **Credit** is derived from the Latin *credo*, which means "I believe." Lacking faith in God we choose to live by the numbers and rely upon dead reckoning. So we adjust our sights according to statistical probabilities and distribute life's chances according to actuarial tables. We credit each other in the name of our god the State and accept its whole financial apparatus as collateral. With the national treasury for a surety, logrolling is being elevated into an art form as well as a universal principle. As Eugen Rosenstock-Huessy observed many years ago:

Church and economy have changed their places during the last thousand years. . . The universal church becomes more and more particular in her operations; economy becomes more and more universally organized. We still pray for One Catholic Church. The real trouble of the future will be, whether we can pray for it sincerely or not. . . . Private property is being attacked today on the same ground as the unity of the faith. Both ideals are imperilled. Bolshevism is radical enough to make the church a private affair for the individual, and property the public affair of the community. But the question is not dependent on any subjective theory about Marxism. It is an issue for any government which subsidizes industry, taxes private educational institutions, propagates political ideas, or repopulates deserted villages with self-subsisting homesteads."

Here we may see how Mammon has taken the place of God in our national life. We have chosen to base our society on a web of economic ties rather than a common

faith, as if a mountain of promissory notes could be the health or salvation of the state. When cash is dross, credit is an empty word. Public credulity does not take the place of a sound dollar. The techniques of faith -- the arts of the confidence man, the power of positive thinking -- must not be mistaken for the reality. The substitution of credit for faith and applied science for religion threatens a return to the "house of bondage."

Paul Valéry once noted that "*power* itself, which is thought to result from force, is essentially a spiritual value." The only sound medium of exchange and the only tie that truly binds comes as a gift from above: "Ho, every one that thirsteth, come ye to the waters, and he that hath no money; come ye, buy, and eat; yea, come, buy wines and milk without money and without price." (Isa. 55:1).

Consider the limited liability corporation, which has the legal ability to shift the financial costs of risky ventures from its owners, managers, and even investors to its consumers, creditors, and ultimately the general public. But the fact that certain causes lead to certain effects is something we ignore at our peril.

As R. J. Rushdoony has noted, liability is an inescapable concept. In politics as in private life, the buck stops somewhere. Somebody pays the bill.

But here we encounter a problem: Who should pay? As a society, we have chosen to socialize or spread out the costs of various economic activities, including much of what we call "private enterprise." Have we made a sound choice? This is a political issue.

So we should now begin fleshing out the concept of politics with some content. Let us begin by injecting economics.

For the ancient Greeks and Romans, politics -- by definition -- had to do with the public affairs of the **city** (*polis*). Such words as "citizen," "bourgeois," "burgess," "urbane," and "metropolitan" derive from various roots that mean "city" and indicate "belonging" as well as "guardianship" or "service." For the ancients, citizenship meant participation in the religious cult. Outsiders were barbarians and hence uncivilized. Aristotle defined man -- civilized man -- as a "political animal:" that is, a creature [or creation] of the city.

Economics, on the other hand, concerned the private affairs of the **household** (*oikos*). Such words as "ecology," "ecumenical," "domain," "domestic," "property," "possession," "habitation," "tenure," and "house" derive from roots that refer to "having" or "holding," that is, to private ownership, human or divine.

The confusion of public and private affairs -- of politics with economics -- was thought to breed **corruption**, which is the opposite of the kind of public **virtue** -- moral strength or self-government -- our founders wished to cultivate. The public trust is violated by using an office for personal gain as if it were private property, just as the conscience is violated by perjury.

A public official does not hold a property right to his office but is a representative or **trustee**: that is, a steward or servant of the owner, not the master of the house, as we shall see.

This public-private dichotomy, then, was not simply a pagan distinction. In Proverbs 31, King Lemuel described the household economy of the virtuous woman, who traded in the marketplace and helped the needy, while her husband sat at the city gates and engaged in public service. Indeed, the Bible has a great deal to say about politics and government, but primarily in relation to the divine plan or divine "economy."

Jesus counseled his disciples to be ministers or servants rather than act like the gentiles who lord it over their people. Joseph, Daniel, and Nehemiah were elevated to offices of trust by foreign kings and proved themselves to be wise stewards. The prophets frequently condemned the misuse of political power as "oppression" and "unrighteousness."

Many modern ideologues tend to belittle the household as something held back from the public sphere. The 19th century French anarchist, Pierre Proudhon, for example, wrote that "property is theft!" But Christianity brings both elements – the city and the household – into harmony in the heavenly city of Jerusalem (Heb. 11:16) that is "prepared as a bride" (Rev. 21:2). Christ gave the household a place of honor by taking it as the model of his kingdom – "in my Father's house are many mansions" (John 14:2) – and then giving pride of place to the household servants by calling them friends (John 15:15) and adopting them as sons (John 1:12; Gal. 4:5-6). Even so, the Apostle Paul noted that the household heirs must still submit to tutors and governors until they have been prepared. Internal self-government – obedience to the will of God – must precede external liberty. James Madison acknowledged this connection and understood its political significance when he maintained that "conscience is the most sacred property." We are not supposed to render everything unto Caesar.

In the end we should confess that easy credit does not instill public confidence. It should only inspire incredulity. We must distinguish between all such schemes of cheap grace and the costly discipleship we are called to invest in the marketplace as well as in our personal lives. All forms of credit are expressions of faith. Those who abuse our trust should know that they are unlikely to win it back. Similarly, if we carelessly misplace our trust, we are unlikely to find it again. Sensing this, perhaps we can begin to understand what Paul Valéry meant when he wrote this about the fiduciary nature of political power:

Power has only the force we are willing to attribute to it; even the most brutal power is founded on belief. We credit it with the ability to act at all times and everywhere, whereas, in reality, it can only act at one point and at a certain moment. In short, all power is exactly in the position of a bank whose existence depends on the sole probability (incidentally, very great) that all its clients will not come at once to draw out all their deposits. If, either constantly or at a particularly moment, a certain power were summoned to bear its real force at every point in its empire, its strength at each point would be about equal to zero.

...

Remember this the next time panic is in the air and threatens a run on the bank!