

THE ECONOMICS AND ETHICS OF FREDERICK NYMEYER

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ABSTRACT: Frederick Nymeyer (1897–1981) was a Chicago businessman who supported Austrian scholarship through his publication and marketing of work by Mises and Böhm-Bawerk. Part of his legacy is Libertarian Press, which Nymeyer founded to promote Austrian economics at a time when it was virtually unknown in the United States. A Calvinist in a Dutch Reformed denomination, Nymeyer also self-published a large number of articles applying economic thought to ethical issues in an effort to combat the growing affinity for socialist ideas among Protestants. Nymeyer saw close connections between Misesian ideas and biblical law, which he elaborated upon in his 1964 book *Minimal Religion*. This paper summarizes and contextualizes some of Nymeyer’s most prominent themes in his writing.

KEYWORDS: Frederick Nymeyer, entrepreneurship, Austrian School, libertarianism, religion

JEL CLASSIFICATION: B31, B53, Z12

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I. INTRODUCTION

Frederick Nymeyer (1897–1981) was an Illinois entrepreneur with an intense interest in economics, particularly the relationship between economics and morality. A self-described protégé of Mises and a thoughtful Calvinist, Nymeyer was deeply concerned with Protestantism's shift toward socialism in the twentieth century. As Nymeyer heard preachers and Christian college faculties denouncing free markets and profit-seeking businesses, he mounted a determined and effective resistance.¹

A Chicago businessman for many years, Nymeyer started as a newspaper reporter, then became news and ad man for a financial newspaper. At some point in the early 1920s, he received an education in economics, and then became Chicago manager of the Harvard University Committee on Economic Research. Later he was a budget and commercial research employee and officer for the meat packer Armour. Nymeyer then became General Partner in a management consulting firm, after which he organized his own management consulting firm. Nymeyer's wide-ranging business experience gave him the extensive personal contacts that he would later leverage on behalf of Austrian scholarship.

Jörg Guido Hülsmann (2007) has given due attention to Nymeyer's passionate advocacy for Mises and Austrian economics in general. This paper summarizes some of those contributions, which put Nymeyer in the foremost ranks of the struggling mid-20th century liberty movement in America. But Nymeyer was more than an organizer and promoter. Nymeyer left behind volumes of his own writing, mostly directed at combating socialistic ideas in his own Protestant denomination, the Christian Reformed Church (CRC). His contributions to that internal debate are widely applicable, and his trenchant criticisms of Christianity's movement toward socialism in the mid-twentieth century could be useful today.

Section II of this paper describes Nymeyer's connection with Mises and his support for Austrian publications. Section III describes Nymeyer's ethical objections to socialism within

¹ See Terrell (2004).

Protestantism, and Section IV summarizes Nymeyer's writing on other topics, including the "just price," money and banking, and education. Section V concludes.

II. NYMEYER'S RELATIONSHIP WITH THE AUSTRIAN SCHOOL

In 1946, Nymeyer read Mises's *Theory of Money and Credit*, and, fascinated, began a correspondence with Mises that led to a personal friendship and material support of Mises's work. He read *Omnipotent Government* and other works by Mises, and then turned to other Austrian economic writing, particularly Böhm-Bawerk's *Capital and Interest*.² Nymeyer was inspired to help organize support for Mises, and to write extensively on libertarian and economic themes himself. Like Henry Hazlitt, Lawrence Fertig, and Leonard Read, Nymeyer supported Austrian economics from outside academia. At a time when Austrian economics was virtually unknown, businessmen like Nymeyer—though treated with condescension by many academics—were critical to the survival of these ideas.

In 1949, Nymeyer began efforts to set up a "Liberal Institute" in the Chicago area, to be headed by Mises. The University of Chicago was a logical choice, given its prominence and Nymeyer's connections there. Though the plan was dropped when the university insisted on control over the staff, Nymeyer continued his campaign for Austrian economics. Hülsmann notes that "Nymeyer and his friends probably had some influence in bringing Hayek to Chicago, and in the early 1950s he played a significant role in raising funds for Mont Pèlerin Society meetings" (Hülsmann, 2007, p. 856).

In 1952, Nymeyer's Libertarian Press (formerly "Consumers-Producers Economic Service") published *Planning for Freedom*, in keeping with his intention of making Mises's work accessible to a wide audience. He was instrumental in the publication of *The Anti-Capitalistic Mentality* and Mises's essay "Middle-of-the-Road Policy Leads to Socialism," which he distributed to ministers in

² See Hülsmann, 2007, p. 855.

the CRC. Nymeyer also promoted Eugen von Böhm-Bawerk.³ He hired Hans Sennholz and George Huncke as translators in order to republish some of Böhm-Bawerk's work in English. In 1959, *Capital and Interest* appeared, with a preface by Hans Sennholz, and in 1962 a collection called *Shorter Classics of Böhm-Bawerk*. Later, Sennholz took over Libertarian Press.

Most of Nymeyer's own writings appeared in a journal he published from 1955 through 1960. This journal, which first went by the name *Progressive Calvinism* and in 1959 became *First Principles in Morality and Economics*, is almost entirely composed of essays by Nymeyer himself. The essays focused on the shortcomings of the CRC's social ethics, with copious references to Menger, Böhm-Bawerk, and Mises. There are also parallels in style and substance to Henry Grady Weaver's *The Mainspring of Human Progress* (1947 [1999]) a libertarian classic which undoubtedly influenced Nymeyer.

In 1964, Nymeyer published his book *Minimal Religion* through Libertarian Press. This book continued the themes from the journal, adding a lengthy section on theology. In the early 1970s, Libertarian Press also published a newsletter called *Social Action, Hundred Nineteen*,⁴ in which Nymeyer continued his declamations against churchmen who preached socialism.

Though Nymeyer was a Calvinist Protestant and Mises was an agnostic Jew, Nymeyer did not hesitate to make extensive applications of Mises's work to Christian social ethics. In 1968, Nymeyer wrote, "Mises influenced me more than any other man in my intellectual development. I was his protégé." He referred to Mises as "the greatest living champion of the innermost rampart of Christianity" (Hülsmann, 2007, p. 915). He saw in Misesian economics an opportunity to counter the anti-individualist, socialist trends in Protestant social thought of his time. In a 1959 letter to Howard Pew, Nymeyer wrote:

³ Nymeyer wrote enthusiastically to the philosopher Mortimer Adler, "Böhm-Bawerk has gone as far beyond Adam Smith as Calvin did beyond Luther." Letter dated February 14, 1948, Grove City Archives: Nymeyer files. In Hülsmann (2012, p. 35).

⁴ The name originated from Psalm 119, a psalm extolling the Ten Commandments, which Nymeyer said "is unqualifiedly and singularly adequate as a 'foundation' for all social organization." (Nymeyer, 1971, p. 8)

If there is to be a re-Reformation, it will have to be, in my opinion, on the basis of what the praxeological and the natural sciences have contributed to human knowledge since the days of the reformation. In regard to questions of ethics, I have come to the conclusion that the economics of Dr. von Mises constitutes by far the most satisfactory means to modernize the ethics of the Hebrew-Christian religion. When that kind of a synthesis is made, one turns out to be an extraordinarily conservative adherent of the Christian religion. But also some of the absurdities are removed. (Hülsmann, 2007, pp. 915, 916)

Nymeyer seemed to consider Austrian economics as a subset of neoclassical economics, introducing the 1960 volume of *First Principles in Morality and Economics* by writing,

[T]he economics taught herein are those of the *Neoclassical* school. This means that our economics are based on the work of Adam Smith and David Ricardo, but modified (as it urgently needed to be) according to the work of William Stanley Jevons, Carl Menger, Eugen von Böhm-Bawerk and Ludwig von Mises. It is especially the economics of the latter three, the outstanding exponents of the famous Austrian school of economics, which is followed in *First Principles in Morality and Economics*. (Nymeyer, 1960a, p. 2)

Later that year, Nymeyer wrote that "...the neoclassical school in economics... consists of William Stanley Jevons, an Englishman; Carl Menger, Friedrich von Wieser, Eugen von Böhm-Bawerk, Ludwig von Mises, Friedrich von Hayek—all Austrians; Carl Wicksell, a Swede; Frank A. Fetter of Princeton, an American; and, naturally, many others." He referred to the Austrians as "the Austrian neoclassical school." (Nymeyer, 1960b, p. 70) In a tract published twelve years later, he referred to Mises as "the fountainhead of many of the perspicuous and effective ideas of Neo-Classical economics," and wrote that "the 'framework' of Mises' ideas [was] part of revolutionary new Neo-Classical economics...." (Nymeyer, 1972, p. 86) Describing Rothbard's *Man, Economy, and State* as "based on, and organized according to, Neo-Classical economics (of the Austrian brand)," Nymeyer reacted with apparent alarm at Rothbard's anarcho-capitalism: "It should be apprehended that Rothbard is radically for freedom, and that he uses the term Libertarian for that stance. 'Freedom' can, however, mean so light an emphasis on 'law' that the experiment with less-law could result in anarchy." (Nymeyer, 1972, p. 86)

Apart from Nymeyer and his readers, other Calvinist groups also found more affinity for the Austrian School than for other schools of thought, and voiced qualified affirmations of libertarianism. One of these groups, the Christian Reconstructionists, generated a considerable body of literature on the connections between Christianity and economics, and Nymeyer was familiar with their work.⁵ Rousas J. Rushdoony, a leading Reconstructionist intellectual and founder of the Chalcedon Foundation, was a follower of the conservative Reformed theologian Cornelius Van Til (1895–1987), as was Nymeyer to a lesser extent.⁶ Nymeyer met Rushdoony in 1962, and the two men visited and corresponded periodically for years afterward. Years after Nymeyer's death, Rushdoony wrote of Nymeyer, "Fred was a remarkable man. While I did not always agree with him, I always found his thinking brilliant, stimulating, and systematically Biblical."⁷

III. NYMEYER'S MINIMAL RELIGION VS. THE SOCIAL GOSPEL

A recurring topic in Nymeyer's writing is the distinction between two ethical systems adopted by Christians: 1) a system based on Mosaic law and New Testament exposition of that law, and 2) a system based on a broad interpretation of "loving one's neighbor." Nymeyer argued for the first, which he called "minimal religion." This Mosaic system required that an individual's actions toward other people conform to biblical laws summarized in the Ten Commandments. Nymeyer contended that these biblical commands amounted to refraining from coercing, stealing from, or

⁵ Gary North, a prominent Reconstructionist and proponent of Austrian economics, dedicated his 1973 *Introduction to Christian Economics* to Nymeyer. For an examination of the relationship between Reconstructionists and the Austrian School, see Terrell and Moots (2006).

⁶ Van Til, born in the Netherlands, attended the CRC's Calvin College in Grand Rapids, Michigan, and went on to a divinity degree and Ph.D. in philosophy at Princeton. Van Til later joined J. Gresham Machen's exodus from Princeton to found the more conservative Westminster Theological Seminary in Philadelphia. Van Til attracted Nymeyer's attention through his opposition to Karl Barth and other neo-orthodox theologians.

⁷ Letter from Rushdoony to Ed Van Drunen dated February 10, 1987. Courtesy Ed Van Drunen.

defrauding others. As developed by Nymeyer, the Mosaic system has much in common with libertarianism.

The second ethical system, which Nymeyer called “sanctimony,” “altruism,” or the “agape ethics,” required an extension of an individual’s agape (“brotherly,” or “neighborly”) love to the rest of mankind. The agape system, Nymeyer wrote, was impossible to carry out successfully, and would lead to interventionism and socialism. The manifestation of that socialism in the church was the “social gospel” movement. This movement was, by the time Nymeyer addressed it, about fifty years old. Shortly before the founding of the Federal Council of Churches (a forerunner to the current U.S. National Council of Churches, a branch of the World Council of Churches), a seminary professor named Walter Rauschenbusch produced a book called *Christianity and the Social Crisis* (1907). This book forthrightly advocated communism:

It would seem, therefore, that one of the greatest services that Christianity could render to humanity in the throes of the present transition would be to aid those social forces which are working for the increase of communism. The church should help public opinion to understand clearly the difference between the moral qualities of the competitive and communistic principle, and enlist religious enthusiasm on behalf of that which is essentially Christian. (Rauschenbusch, 1907; quoted in Nymeyer, 1959a, p. 152)

Opposition to this social gospel movement occupied much of Nymeyer’s effort, particularly as his own denomination was succumbing to its teachings. Many within the mid-20th century CRC had adopted some of the more interventionist ideas of Abraham Kuyper (or Kuijper) (1837–1920), a Neo-Calvinist Dutch theologian and prime minister of the Netherlands from 1901 to 1905. Kuyper, founder of the socially conservative Anti-Revolutionary Party (ARP), opposed socialism but objected also to laissez-faire capitalism and favored some trade restrictions and government labor legislation.⁸ The ARP, while pluralist in principle, had close ties with the Reformed Church in the Netherlands, a sister church of Nymeyer’s CRC. At the time Nymeyer was writing in *Progressive Calvinism*, the ARP was transitioning toward the adoption of social

⁸ See Bratt (2002).

justice goals, and favored a more extensive welfare state.⁹ Some faculty at American institutions in the same Dutch Reformed tradition were moving in the same direction, including Calvin College, Dordt College, and Hope College. No doubt this was influenced by the more general tendency toward progressivism within 20th century society. Many groups hoping to appeal to a younger generation will often find that adopting the ideological positions of youth holds a pragmatic appeal, and ecclesiastical groups are no exception.

In the first volume of *Progressive Calvinism*, Nymeyer contended that Kuyperian interventionism was simply a milder form of the same pernicious coercion that characterized socialism:

The method to accomplish that Middle-of-the-Road course was to be in-between. That *inbetweenness* consisted, in turn, in two phases—(1) keeping the appearance of capitalism and (2) introducing the basic principle if not the reality of socialism. The customary word for such a system is Interventionism—the government, having a pipe line of power from God justifying such intervention, leaves life, liberty, and the pursuit of happiness *nominally* in your name but *regulates* it, little or much as the government in its sovereign right decides, by having laws that interfere and bureaucrats who manage. Hitler was a *full-fledged* interventionist. The German term for full-fledged interventionism is *Zwangswirtschaft* (a coercive society). (A Dutchman would translate that as *Dwang maatschappij*.) Abraham Kuyper believed in just the right (?) degree of *dwang maatschappij* (coercive society). He was a *moderate* Hitlerite.

In some denominational schools of Calvinist churches in America they teach an identical doctrine. Not capitalism; oh no; it is sinful or neutral. Not socialism; oh no; it is sinful or neutral. Instead, they teach interventionism—a God-given *dwang maatschappij* (coercive society) with the right to coercion—contrary to the Decalogue—piped right out of the bottom of the throne of God. But, naturally, only beneficent and welfare-producing coercion! (1955b, p. 344)

This may seem a bit unfair to Kuyper, whose “sphere sovereignty” idea provided an appealing framework for excluding the

⁹ Describing the appeal to a “young” Kuyper made by those intent on shifting the ARP leftward, Kennedy (2002) notes, “What these anti-revolutionaries and many younger members of the ARP appeared to discover was that the anti-revolutionary tradition had been, or ought to have been, a progressive party, deeply suspicious of capitalism, hostile to economic privilege, and willing to sacrifice the notion of antithesis for human solidarity and social justice.” (p. 51)

State from certain social institutions—a framework with a lasting impact in North America and South Africa. Kuyper was even said to have an “apocalyptic fear of the State.”¹⁰ It is true that Nymeyer’s criticism may have been intensified by his opposition to the CRC’s efforts (mirroring some Dutch Reformed groups and the ARP) to reframe Kuyper to match leftist goals. However, Nymeyer had substantive objections to sphere sovereignty.

The spheres were simply groupings of people which, in Kuyper’s view, had sovereignty directly from God. These included the State as a prominent and powerful sphere, but also countless others, such as the family, the church, labor unions, schools, and business organizations. In Nymeyer’s view, Kuyper’s error in arguing for a strong State, with divinely granted authority, necessitated Kuyper’s collectivistic spheres as barriers to State intrusion into the rest of society. “Having created too big a government—too sovereign and too irresponsible a government—he was compelled to develop some counterweights.” (Nymeyer, 1955a, p. 267) Nymeyer contended that the Kuyperian view ignored the individual:

According to Kuyper, the sovereignty of the state and the sovereignty of the spheres are directly from God, as per Romans 13. In both cases, the idea is eliminated that the sovereignty of the state or the sovereignty of a group is derived from ordinary men wishing to obey the Decalogue; in both cases the *individual* is outside of consideration. The individual is insignificant. Kuyper sets up his system without there being much importance to obtaining the “just consent of the governed”—about which the founding fathers of America talked in the Declaration of Independence. To Kuyper, sovereignty is *from God* directly by a pipe line. All pipelines of power are, for Kuyper, from God to the gigantic *group*, the state, or to smaller groups, any sphere. ...The *individual* is the forgotten man in this scheme of things. (Nymeyer, 1955a, pp. 268, 269)

The Two Kinds of Love and “Minimal Religion”

Nymeyer’s objections to the socialist and interventionist Calvinists went far beyond their applications of Kuyper’s work. His criticisms of “agape ethics” were pervasive in his writing. The difference between the Mosaic and the agape systems, he wrote, was

¹⁰ Attributed to A.A. van Ruler. See Kennedy (2002, p. 46).

a difference in the definition of love. The Mosaic system allowed a person to pursue self-interest, as long as one does not injure his neighbor “by violence, adultery, theft, falsehood, or covetousness.” (Nymeyer, 1957b, p. 150) The sixth commandment, “You shall not murder,” was then a summary of a broader command, which might be stated “You shall not coerce.” To Nymeyer, it made no difference if the coercion was condoned or carried out by the state.

[C]oercion may be legalized by the acts of a legislature or a judge, but the mere fact that it is *public* coercion does not exonerate such acts from the prohibition of employing compulsion against another.

If then the Sixth Commandment forbids *all* coercion (except to employ coercion to protect oneself from coercion), what is this negative prohibition restraining each of us, except to allow *freedom* to others to pursue their inclinations (whatever they may be, except when they violate the reciprocal freedom and rights of others). If I may coerce no one, and if no one may coerce me, what is this other than legislating, *All men shall be left free?*

When the ancient law of Moses with stark simplicity legislates against murder, violence and coercion it not only has the merit of prohibiting those evils, but it has the magnificent positive virtue of legislating freedom. (Nymeyer, 1959b, pp. 193–194)

Agape love, to Nymeyer, required obedience to these laws. In these laws, Christians were required to refrain from doing harm, to show “forbearance and forgiveness,” to exercise charity, and to proclaim the gospel. (Nymeyer, 1957a, p. 6; 1959g, p. 345) Any definition of agape love broader than this one would be sanctimony, “basically borrowed from Karl Marx.” (Nymeyer, 1955c, p. 357)

The “minimal religion” of which Nymeyer wrote so extensively is really Christianity complete with the idea of Christian liberty—a doctrine which essentially states that if an action is not forbidden by a biblical command, it is permitted.¹¹ Nymeyer emphasized the negative nature of biblical law (e.g., one may do everything *except* this or that), as opposed to the positive commands of interventionists:

¹¹ This doctrine is elaborated upon at some length in Calvin’s *Institutes of the Christian Religion*, ch. 19 (1559 [1960], p. 838–839), and may also be found in the statements of the 1646 Westminster Assembly (Williamson, 1964 [2004], p. 194). The 19th century Presbyterian theologian Charles Hodge’s more recent explication (1872 [1997], p. 265) is also useful.

Liberty... is a basic teaching of Scripture; all that Moses ever forbade, in regard to this life, was "the liberty to do wrong"; he merely specified as far as human relations were concerned that violence, adultery, theft, fraud and covetousness are taboo; *everything else was left free*. Moses did not say you can do only this and this and this, as all interventionist and socialist governments say; no, he said, you may do *everything* except that you may not exploit your neighbor. No man ever used a better method of legislating for liberty than Moses; all he did was to specify a few things you may not do. Paul taught an identical doctrine in the New Testament (Romans 13:10a) when he wrote "Love worketh no ill to the neighbor." Interventionism and socialism specify what you may do; the rest is forbidden. Why? The government has that "peculiar, inherent power" piped from the throne of God to tell you in *detail* what you may or may not do! (Van Mouwerik and Nymeyer, 1955, p. 365)

Charity vs. Market Cooperation

Nymeyer argued that no society could be founded on the principle of charity. The primary reason for this is the insufficient knowledge we have of our neighbor's needs. The influence of Mises and Hayek on Nymeyer here is obvious. Nymeyer wrote,

[I]f all [a man's] decisions were based on "charity," that is, based on what he imagined the needs of others to be in contrast to his sure knowledge of his own needs, then he would...be making decisions where his information was far inferior and in many instances worthless. (Nymeyer, 1957a, p. 7)

Social cooperation based on markets is far more practical than charity as a foundation for an economy, Nymeyer argued. In fact, market-based cooperation is more consistent with the Christian principle of humility, as it acknowledges our vast ignorance of the goals of others and alternative means to accomplish those goals.

Furthermore, Nymeyer noted that when the state forcibly transfers wealth from one person to another in the name of charity, it is violating several of the Ten Commandments. Compulsory charity is a moral perversion, Nymeyer declared.

Nymeyer was not arguing for the abolition of charity. "No right-minded person, Christian or non-Christian, can be indifferent or hostile to charity," he wrote. "A society without charity—without the lifts to help others meet genuinely adverse circumstances—cannot

really be a good society.” (1957, p. 171) However, like Adam Smith, he contended that “beneficence...is the ornament which embellishes, not the foundation which supports the building. ...Justice, on the contrary, is the main pillar that upholds the whole edifice.” (Smith, 1759 [1853], p. 125)

Individualism and Self-Interest in Nymeyer

The social gospel movement created a distinction between morality for the individual and morality for the state. Nymeyer pointed out this failing in Reinhold Niebuhr’s *Moral Man and Immoral Society* (1932 [2001]). Niebuhr wrote,

The thesis to be elaborated in these pages is that a sharp distinction must be drawn between the moral and social behavior of individuals and social groups, national, racial, and economic; and that this distinction justifies and necessitates political policies which a purely individualistic ethic must always find embarrassing. (Niebuhr, quoted in Nymeyer, 1957, p. 41)

Nymeyer pointed out the problem: if law for individuals is based on the Ten Commandments but the law for society is not, is not the behavior for “social groups” morally indefensible?

Nymeyer devoted considerable space in his journals to the defense of self-interest. Those concerned with ethics and economics have sometimes dodged this question by arguing that this sinful self-interest does at least produce satisfactory results in a market system. If we are selfish by nature, we might as well make the most of it. Nymeyer took a more direct approach. Acting in self-interest, Nymeyer stated, is not only morally benign, but is essential to the functioning of society. Acting exclusively in the interest of others would require us to act in utter ignorance. Avoiding self-interest entirely wastes scarce resources and makes society worse off.¹² As with many of his arguments, Nymeyer took great pains to state his case carefully. In one article on the subject, he asked that the reader consider an entrepreneur’s decision to keep an unprofitable worker on the payroll. Is the decision to fire

¹² See, e.g., Nymeyer (1959h [1960]).

this worker an example of sinful selfishness? Nymeyer's response is worth quoting at length:

Business, in a competitive economy (which means that the customers are *free* to patronize one business or another) must be *efficient*. If not, then the business goes "out of business"; it fails; it fails just because customers no longer buy from that business.

...It can in fact be sensibly declared that it is *sin* to tolerate inefficiency. There is a universal welfare shortage—the means to supply all the needs of people do not equal all the needs themselves. There is a *scarcity* of the means of production. That scarcity consists in labor and materials. It can be affirmed that no man has a moral right to stay in business who does not muster labor and materials *efficiently*—that is, at as low cost as anybody else can muster labor and material. (1957; pp. 172, 173)

Nymeyer went on to note that selfishness is sometimes intended to mean "bad manners, or lack of thoughtfulness," but that the anti-market social gospel group means something more severe than thoughtlessness. Their definition of selfishness must mean a failure to bend to the desires and judgments of others. Yet some sort of self-love must be appropriate, for, as Nymeyer points out, the Mosaic Law commands us to "love thy neighbor as thyself." Thus, "it is nonsensical to say that a man should love his neighbor as himself, if he is sinful when he loves himself."

By Nymeyer's reasoning, self-love means the pursuit of one's own set of values, which may be quite admirable. They may include discovering the cure for a disease, or proclaiming the Christian gospel, or inventing some machine to save labor. "Self-love, then, is not for *self* only, but for *personal or subjective values*, that is, the individual values which each man has and which he wishes to pursue at liberty and *which may be as much for others as for himself*." (1957, p. 178)

Socialists are distinct from market advocates, Nymeyer writes, in that they "wish to set subjective 'values' for *everybody*." It is anti-individualistic. Nymeyer concludes:

There is only one social philosophy which can possibly conform to the teaching of Scripture, namely, the social philosophy known as Individualism. It is a humble philosophy. It lets each man have his own subjective values, but he may not pursue them at the expense of his neighbors. Individualism sets the same demands on men that Christian ethics apply. (1957, p. 179)

IV. NYMEYER ON OTHER TOPICS

Price Determination

One of Nymeyer's favorite economists was Eugen von Böhm-Bawerk, and it was from Böhm-Bawerk's famous horse market example that Nymeyer drew when writing on price determination. Nymeyer nominally modified Böhm-Bawerk's example to use a bicycle market, but in all other respects his analysis was clearly taken from the earlier Austrian economist. Along the way, Nymeyer argued that the just price is an incoherent concept: "...no government *can* set a just price; a just price has no meaning except it be determined by free competition on both the buying and selling side." (1964, pp. 149, 150) Subjective evaluations determine prices, and not historical costs. (1964, p. 155)

In *Minimal Religion*, Nymeyer devoted some effort to the ethics of bargaining and price discovery. Good ethics, Nymeyer concluded, do not require a potential buyer to reveal his maximum (reservation) price, or a potential seller to reveal his minimum price. The buyer is entitled to attempt to discover the maximum price he can obtain for the item, and starting with a high asking price is the only way to do this. The same holds true for the seller. As long as there is no coercion, the parties are on firm ground ethically. (1964, pp. 143, 144)

Comparative Advantage

Nymeyer repeated throughout several of his works Ricardo's observations on comparative advantage, calling it Ricardo's Law of Cooperation or Law of Association. Nymeyer noted the benefits of "unequal inequality" and provides a lengthy, sometimes tedious, explanation of the gains from trade. Nymeyer then explained that hindering mutually beneficial trade is a major sin: "It is the frustration of Ricardo's Law which constitutes a major part—the largest—of what the Hebrew-Christian ethic calls...sin." (1964; p. 100)

Unions

Nymeyer was unalterably opposed to unions, calling them coercive and therefore a violation of the 6th Commandment. This

may have contributed to his aforementioned animosity toward Abraham Kuyper, who was an advocate of labor unions as a sovereign “sphere.” Nymeyer wrote,

Two of the bigger evils in the United States today are: (1) unions, as they operate; and (2) banks, as they operate; or better said, two of the bigger evils in the United States are the laws giving unions and banks special privileges.

Bad laws permit union members to do what an ordinary private individual would be sued for doing or for which he could be thrown into jail. This is aggravated by a lax enforcement of laws in those cases where the law still protects partially against unionism. The consequence is that unionism is rife with gangsterism, of a mild or virulent type. Unionism itself does not make men bad; it is the bad laws giving special privileges to unions which make bad men of union leaders and members. (1959d, p. 259)

Money, Banking, and the Business Cycle

More than in any other area, Nymeyer was a thoroughgoing follower of the Austrian school when it came to money, banking, and the business cycle. Drawing from Menger, Nymeyer explained that money originates in the market, not government. Nymeyer wrote out detailed explanations of fractional reserve banking systems, and explained—following Mises—how inflation causes recessions. What Nymeyer added to the standard Austrian business cycle theory was his application of moral principles from the Bible. Fractional reserve banking, he argued, was like embezzlement (1959e, p. 268) or counterfeiting (1959c, p. 255, 1959g, p. 313; 1964, p. 248), and inflation was equivalent to theft (1959c, p. 254). Nymeyer suggested that Mises’s term “circulation credit” was lacking in that it “fails to indicate the moral turpitude of circulation credit.” (1959c, p. 255) Nymeyer suggested the term “counterfeit credit” as a substitute.

Usury

Nymeyer addressed the medieval prohibition on usury by noting that it is an unwarranted addition to the actual biblical law on interest. Interest and usury, he writes, are not identical in the Bible.

The actual biblical prohibition was much narrower than that of the modern opponents of interest. It applied only to charitable loans between fellow believers, and did not apply to business loans or loans outside the faith. Nymeyer's extensive discussion of interest in one of his issues of *Progressive Calvinism* included a helpful summary of John Calvin's liberal views on interest, (1957, pp. 55ff) and a favorable review of Böhm-Bawerk on the subject from *Capital and Interest*. Not much is new here in the theory or application, but Nymeyer did relate the problems with interest prohibition to the contemporary advocates of such policies within the CRC.

Freedom of Association

Nymeyer steadfastly opposed the tendency of his time to deny the freedom of association. This basic freedom, a core concept in libertarianism, was for Nymeyer a logical application of his minimalist ethics. Refusing to associate, or discontinuing a prior association, is not necessarily a violation of any biblical principle. The motivations of the individual deciding not to associate are privy only to the individual, and no third party has the capacity to judge those motivations, much less compel an association:

The legal apparatus of society can hardly ever be employed safely to coerce a buyer, an employer, or a neighbor, even though there may be suspicion that the motivations are to injure others rather than protect the self. The Christian religion can go a little further and condemn morally "in principle" what is done to injure others... but it too lacks sure knowledge of subjective motivations and, consequently, it cannot make it a part of its "discipline" to compel a man to continue to buy, or to continue to employ, or to associate. (1964, p. 165)

Of course a controversy of the period in which Nymeyer wrote concerned school desegregation, and Nymeyer applied his freedom of association principle here. While he did not consider the possibility of entirely separating school and state, Nymeyer did prefer private education.

Any good law regulating schools will legislate for maximum freedom of the establishment and administration of schools. Education is primarily the function of parents, and only secondarily of State and Church. The parents should, preferably, found and own schools. Then they can control

faculty, facilities and attendance themselves—that is, have maximum freedom to elevate their children by a good education. (1964, p. 188)

Nymeyer favored a sort of voucher system for education, in 1960:

If the state undertakes to collect taxes for educational purposes, it ought to be prepared to pay out those taxes to groups of parents who wish to have a school for their children. Let us assume that the state collects \$400 a year for educational purposes per child. Let us assume that there are parents who have 50 children of school age. Let us also assume that they are peculiar folk who wish to have their children educated in a peculiar way. They ought to be entitled to a subsidy for their school in the amount of 50 pupils times \$400, or \$20,000. (1960, pp. 29, 30)

Nymeyer never addressed a more fundamental objection to government schools that would now be *de rigueur* for libertarians. Why should the population be taxed to subsidize the education of a subgroup in the population? Perhaps Nymeyer should be granted clemency on this point, however. At the time he wrote these words, private schooling was still uncommon outside the Catholic schools, and home schooling was virtually unknown and in most places practically illegal.

In government schools, Nymeyer wanted the parents to have some limited choices in schooling for their children. Nymeyer wanted the government to offer three kinds of schools—all white, all black, and integrated. He appeared to overlook the possibility that parents might have other preferences on education apart from the racial composition of schools. A consistent application of Nymeyer's proposal would lead to the absurd multiplication of schools, or programs within schools, to satisfy every preference—on sports programs, language offerings, teacher qualifications, creation/evolution teaching, official school prayer, and countless other matters. Nymeyer's essentially libertarian views failed to lead him to a completely free market in education, and left him to struggle with the inevitable limitations of state-controlled schools.

V. CONCLUSION

Today, the most popular and most effective anti-market arguments are not those that question the capacity of the free

market to provide a vast amount of the goods and services people want. That part of the anti-capitalists' case has been largely lost. Socialism is still on the defensive in that theater, with public goods arguments an obstinately persistent redoubt. Among the remaining threats to the success of free market ideas are the arguments of moralists and ethicists against capitalism. It is all very well that capitalism produces these wonderful goods and services, they say, but if it does so in an immoral way, then we must object. Nymeyer's heroism in addressing some of these moral arguments against capitalism deserves notice.

Nymeyer's foundation was apparently human reason, but had a very high view of the Ten Commandments and the rest of the Bible.¹³ He argued for revelation, along with reason, as a basis for

¹³ Nymeyer was willing to criticize the Bible on certain points, based on his reasoning. While he regarded the Decalogue and statements of Jesus Christ as absolutely true, he set Moses' elaboration on the 10 Commandments against Christ's Sermon on the Mount.

Moses apparently did not fully understand the Decalogue, which is possibly circumstantial evidence that the Decalogue was *inspired*. If Moses had concocted the Decalogue entirely himself and *fully* understood it, he would probably not have ambiguously legislated elsewhere "an eye for an eye and a tooth for a tooth."

When Moses put in his parochial Israelitish law "an eye for an eye and a tooth for a tooth," he opened his legislation to the interpretation (essentially erroneous) that there is such a thing as *vengeance*, or "primitive justice," which is permissible.

...[S]uch response to injury in effect *annuls* the sixth commandment. (1964, p. 122)

Yet Nymeyer claimed to hold to the doctrine of biblical inerrancy. In a letter to R.J. Rushdoony dated April 10, 1970, Nymeyer wrote, "I reiterate what I have probably told you before that I consider the word of God inerrant, but I do not hold all the past and present interpretations of Scripture to be inerrant. Those 'interpretations' are something different from Scripture itself." (Letter dated April 10, 1970, courtesy Ed Van Drunen.)

Nymeyer advocated natural law in other parts of his work, and stated in one place that the historical (empirical) success of the 10 Commandments should lead to their approval and acceptance without question. Yet in another place he seemed to consider the 10 Commandments as authoritative because they are revelation:

Consider the Second Table of the Ten Commandments. Those Commandments may be considered to be ultimate *because* God gave them. But they may be

making decisions, but was not severe on Mises's utilitarianism (as in *Theory and History*). (1957, p. 349) When it came to applying basic biblical principles to the economy, Nymeyer found the ideas of the Austrian school most consistent with Christianity. "[The Austrian] theory is the only rigorously rational one, and the only one reconcilable with Hebrew-Christian ethics." (1964, p. 265)

In Nymeyer's work, we would struggle to find a contribution to economic theory *per se*. However, it should be remembered that Nymeyer's primary intent was to combat the progress of the social gospel within the church of his day. Many churchmen who never would have read Böhm-Bawerk or Mises would have found Nymeyer's publications accessible. It is Nymeyer's persistent and painstaking communication of sound economic principles to a new audience, and application to ethical problems, that merits attention.

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esteemed ultimate *because* perspicuous reasoning and judgment will also show that they are ultimate whether God formulated them in words or not. In that sense *revelation* and *reason* can agree. For Mises reason only counts. He is basically skeptical of anything which is alleged on the ground of some *authority*. We ourselves are not distressed by Mises's emphasis on *reason*. We believe that it would be impossible for genuine reason and genuine revelation to disagree. We see no conflict. (1957, pp. 349, 350)

The question then remains: how does one discern genuine reason? Is revelation the test of reason? Or is reason the test of revelation? Nymeyer seemed to more consistently follow the latter principle.

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