

The One Question You Can Ask to Uncover a President's Economic Principles

Anonymous, a senior administration official [writing in *The New York Times*](#), wants us to know President Trump “is not moored to any discernible first principles that guide his decision making.”

Presumably, Anonymous believes other recent presidents operated by principles, and we can wonder who Anonymous thinks those presidents were and what principles he believes guided them.

[A principle, the dictionary offers](#), is “a fundamental idea or general rule that is used as a basis for a particular theory or system of belief.” Principles are thus “basic truths.” They explain “how something works or why something happens.” We can adopt timeless principles as moral rules to guide our behavior.

Stubbornly adhering to an opinion, forcibly expressing your opinion, or finding others who agree with your idea doesn't elevate your opinion to a principle.

Right Principles are Universal

If a president believes everyone is entitled to a certain level of health care, they may have an opinion guiding their actions. Such an opinion, as we shall soon see, is not a principle. If a president believes that international trade should be “fair” according to his arbitrary standard, again, he has an opinion; but that opinion is not a principle.

Principles apply in all places at all times; opinions do not.

Those who have no principles are left with seat-of-the-pants judgments. The absence of principles allows them to make expedient deals.

In his book [*Outlook for Freedom*](#), FEE founder Leonard Read warned that “Expediencies and conveniences which are in conflict with right principles and high ideals are but the solace of the blind or the dishonest.”

“A right principle,” Read taught, “is timeless. An expediency, on the other hand, is an act in which a timeless principle is violated.”

Philosopher Immanuel Kant argued that if a principle is true, it can be universalized. Kant called this [*the categorical imperative*](#): “Act as if the maxim [principle] of your action were to become by your will a universal law of nature.” Read, in his book [*Comes the Dawn*](#), puts it this way: “If any action of mine would result in social chaos if practiced by everyone, then I must never so act.”

Read illustrates Kant’s categorical imperative with examples:

Suppose all were thieves— all parasites and no hosts. Everyone would perish. Robbery violates the right to the fruits of one’s own labor and, thus, is wrong in principle..

Suppose every citizen were a coercionist— freedom to act creatively completely squelched. None would survive. Coercion restrains creativity and is wrong in principle.

“If it’s right in principle, it has to work,” Read reminds us. He next asks, “What then is right in principle?” He explains:

Discover what should be released and what restrained. It is right in principle, then, to restrain every action which hinders the release of creative energy. And, by the same token, it is right in principle to release every action which facilitates creative energy.

Read challenges us to name “a single creative action that should be restrained.”

A right principle never elevates the rights of some while diminishing the rights of others.

The idea that everyone should have “decent health care” can’t be a right principle since some gain at the expense of others. In Volume 2 of [Law, Legislation and Liberty: the Mirage of Social Justice](#), F.A. Hayek explains there can be no “right to a particular state of affairs unless it is the duty of someone to secure it.”

Restraint of trade via tariffs can’t be a right principle because creative energy is being suppressed. If trade with all others were prevented, such unprincipled action would reduce us all to dire poverty and threaten our existence.

Ask This Question to See Who is Principled

What is the economic problem that society faces, and how will you help solve it?

What an unprincipled candidate says—and what a public ignorant of principles wants to hear—does not meet Kant’s and Read’s test. The candidates will list specific problems, such as global warming, inequality, lack of health care, etc. They will promise to implement programs to solve those problems and build a brighter future.

Do you remember Bill Clinton claiming his plan was building a [“bridge to the future”](#)? Such language has now become required candidate speak. If you are running for office, the public expects you to claim to have great vision allowing you to direct the economy in some fashion or another.

Such direction must be unprincipled because it blocks creative

energy by redirecting resources away from where entrepreneurs and consumers would otherwise utilize them. The entire economic problem is assumed away by such direction. Such leadership must be unprincipled because economic collapse would result.

In his classic essay "[The Use of Knowledge in Society](#)," F.A. Hayek warns against assuming the economic problem away:

The economic problem of society is thus not merely a problem of how to allocate "given" resources—if "given" is taken to mean given to a single mind which deliberately solves the problem set by these "data." It is rather a problem of how to secure the best use of resources known to any of the members of society, for ends whose relative importance only these individuals know.

In short, the economic problem is "the utilization of knowledge which is not given to anyone in its totality."

Put another way, economic problems are not solved by pretending we have knowledge that we don't. Economic problems are not solved by the schemes and mad designs of unprincipled presidents who apply coercion to mobilize society.

Look at our recent presidents: both Bushes, Clinton, Obama, and now Trump. Could they articulate a single principle by which they governed that would meet Kant's and Read's test of universality? If not, they are all unprincipled presidents.

In 2020, no major party candidate is likely to quote Madison to remind us that the powers of government [are "few and defined."](#) No major party candidate is likely to quote or paraphrase Hayek to remind us that taken-for-granted advancements in human civilizations are not the result of deliberate human design. No major candidate will tell us that economic change requires that decisions be left to those who are most familiar with changing circumstances and most skilled

in meeting the most urgent needs of consumers. No major candidate will tell us that [economic problems are best solved](#) by the market process and not by central direction.

Why won't they speak of principles? Simply, as Arthur C. Brooks observes in his book [The Road to Freedom](#),

Politicians get attention—and applause—for doing things. When things are going poorly, people never call their congressman and scream, “Don’t just do something, sit there.”

Clearly, there are not enough voters who understand the principles of liberty. In *Comes the Dawn*, Read points to education as the only cure:

If the achievement of individual liberty depends solely on an advancement in understanding the principles of liberty, then it follows that liberty cannot be ours to experience faster than understanding can be advanced.

[Jefferson warned](#):

“If a nation expects to be ignorant & free, in a state of civilisation, it expects what never was & never will be.” If we collectively continue to ignore the admonitions of Jefferson and Read, we will get the leadership we deserve—unprincipled presidents who know nothing of the economic principles that enable society to flourish.

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