

# Ethical Economics

FOR TODAY AND TOMORROW...

BRUCE KOERBER



Divine  
**Economy**  
Theory

# ETHICAL ECONOMICS



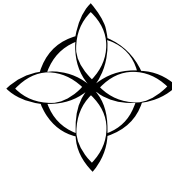
# Ethical Economics

*For Today and Tomorrow ...*

*An Ethical Economics Textbook*

*ETHICS of the Divine Economy*

BRUCE KOERBER



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Dedicated to Murray Rothbard (1926–1995)

A modern day genius,

a mentor to many,

a man with a good sense of humor,

an economist in the classical liberalism tradition,

and an ethicist.

And to my parents,

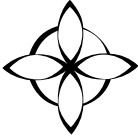
Everett and Doris Koerber.

“It must be emphasized that if ethics is a rational and demonstrable discipline, it is self-subsistent, that is, its principles are arrived at apart from economics. . . . [T]he applied economist would then have to take this ethical system and add it to his economic knowledge to arrive at policy conclusions and recommendations. But in that case it is incumbent upon the applied economist to state his ethical system fully and with supporting argument; whatever he does, he must not slip value judgments, *ad hoc*, unanalyzed, and unsupported, into the body of his economic theory or into his policy conclusions.”  
—Murray Rothbard, *The American Economist*, Spring 1973, pp. 35–39

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## Foreword

It seems almost paradoxical that in a time when science and rationality are on the surge, when everything is measured, weighted, turned around, assessed in light of human physical and mental truths, someone by the name of Bruce Koerber decides to examine the economic problems of the planet beyond a visible, tangible, measurable and understandable horizon, in a dimension that scientists, engineers, economists, and environmentalists do not dare to enter; a space where the finest and most intangible qualities of humankind emerge so powerfully.

Thousands of years have physically evolved human beings into its current status: beautiful and erect; millenniums of aesthetic and deep variations involving his whole being; and it has taken thousands of years for their intelligence to become as brilliant as it is now: millenniums of clashes between cultures, between different life styles and philosophies explaining the meaning of life and knowledge.

The times we live in are certainly times of transition from a life style based on “separations” and one which will have to be lived on fundamentals of “integration.” “Separations” between races, belief systems, ways of thinking, life-styles, customs, arts, sciences and “integrations” towards a planet on the way to becoming “one country” which should align its citizens towards a new vision that we can define as “integrated” or perhaps better reflected by the expression “unity in diversity.”

From the scientific point of view it is now commonly accepted that no topic can be explored by a single scientific branch, as this used to be the “usual way of conducting things” which has produced

“contradictions and troubles” and it should therefore be replaced by a new way of working known as “interdisciplinarity of sciences and their integration.”

Meaning that every problem in our universe should be seen from an interdisciplinary perspective, which is with the contribution of all sciences.

Yet this isn't enough. We should add to this interdisciplinary contribution what derives from man's “intangible” assets, which include his inner qualities, talents and spiritual gems.

Bahá'u'lláh, the founder of the Bahá'í Faith, said in the second half of the eighteenth century: “Man is a mine rich in gems of inestimable value.” Among these gems we find intellectual and spiritual ones. Only through an integration of the latter can we finally enter a stage of maturity for humankind, where physical, scientific, economic and spiritual aspects will give an integrated vision of development and of the remedies for the mistakes that have been made in the past and that today we keep making, due to a lack of multidisciplinary vision.

Mr Koerber's text offers a contribution to this new multidisciplinary vision: a contribution that brings the divine into a dry science such as economics. We certainly live in a time where it may seem like God has forgotten or, even, forsaken this planet.

Never have we been so far from a concept of life aligned with spirituality, never before have human beings been so far from the divine and instead devoting their lives mainly towards accumulating wealth, to use and satisfy one's selfish desires. Never before has our planet witnessed such a major contradiction: the very rich on one side and the destitute on the other. A thick and tall wall divides these two categories of people, the rich being the minority, against the vast majority of the poor.

A wall that produces a distorted development where the masses of the world sink deeper and deeper into the dark abysses of hunger and misfortune, while limitless riches, which Pharaohs and Caesars or imperialistic powers of the last century have never dreamt of, are accessible to just a few managers of human affairs.

This increasingly tall and thick wall is the wall of modern economy. The last financial crisis confirmed once again how this barricade is not being affected and how rock-solid it remains.

It is instead a pressing necessity to bring back the science of economy to a wider, more holistic, more ethical, fairer vision that favours humankind.

Bruce Koerber has written an essay that addresses this issue, introducing the divine in economic science, allowing economics to re-emerge in all its power focused towards a balanced development of society.

It is a brave text, it goes against the trend, a contribution, an experiment, a project that allows the reader to reflect on this new perspective, a contribution rich with innovative ideas, which, if followed, will enable the rise of a new vision of “true knowledge,” which will contribute to the betterment of living conditions on this planet.

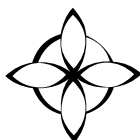
Giuseppe Robiati  
Business Leader, Lecturer, and Author  
Milan, Italy  
March 20, 2010

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## Introduction

**People desire things!** At first reckoning this statement sounds like nothing but materialism. Words convey information but the manifold meanings of words can be deep like the sea if contemplated thoroughly or shallow as a puddle if barely given a glancing thought.

Materialism is very real in our world. And not coincidentally it is so very real because the mystic reality of ethics has been lost. Materialism eats into the vitals of an unsuspecting humanity; unsuspecting because of their economic ignorance. And it does no good to turn to the economic doctors. They have long ago cast aside the healing powers of ethics and are surreptitiously content to administer their addictive drugs of intervention. The stupor caused by this prescription creates a shallowness that keeps the economic doctors in charge since it numbs the human faculties from being able to see the deep meanings of life.

First let's look at the 'people' part of 'People desire things!' As if it is a 'Secret'[17] the wonderful potentials of human beings are written about contemporarily (and are all the craze!) without also balancing that knowledge with an understanding of the dualism of human beings. Thought and action are not the same. An ego out of control can hardly be seen as more desirable than a person of unrealized potential.

The essence of human potential is alertness and deep and thoughtful perception followed by purposeful action. There are, however, restraints to liberty such as the requirement of discipline. Unless one diligently studies piano and practices piano music, for example, the liberty of a free and harmonious expression on the piano will not come to pass.

Humans, like you and I, are both imperfect and perfect in a relative sense. Our 'deep' nature is described in the Holy Books<sup>1</sup> as a condition that I refer to as 'created in His Image.' This 'people' condition can be described as a dualism. Our free will is always in operation, meaning that our choice can be ego-driven or it can be one that aspires towards reflecting the names and attributes of God.

This brings us to consider the 'desire' part of 'People desire things!' Our choice is always made and directed towards a means or an ends. At the point of decision we have either decided on a means (economics) or on an ends (ethics) or sometimes both together. If I desire happiness then that is an ends. If I desire water to quench my thirst then that is a means. If I desire peace then that may not only be my ends, but also, the means to that end.

Since we humans conceptualize; our desires extend beyond those desires which are merely physical and take on the characteristics of our spirituality. The interchangeability and overlapping tendency of means and ends becomes even more evident as this occurs. Evidently, then, it is the inseparability of ethics and economics that is the true reality. Without this foundation of understanding as its basis no system of learning can truly be called education. These lesser systems of learning I refer to paradoxically as 'ignorant education.'

And finally we examine the 'things' part of 'People desire things!' Even though people know that everything is made up of atoms and even more minute components no one actually thinks about 'things' in that way. Likewise, all of the things that we desire attract us because of the attributes that they possess. Our attraction is regarded as sufficient knowledge for us to take action to satisfy our desire.

Now we are going to leave the shallow puddle of meanings behind and seek the deep meaning of 'things.' There is one law and it operates throughout both the physical world and the spiritual world. It turns out that the physical world is an objectification of the spiritual world.

Necessarily then, the spiritual world precedes the physical and the physical is a manifestation of the spiritual world. Things are manifestations of the names and attributes of God (eg., beauty and radiance)

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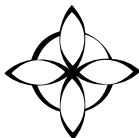
1. "So God created man in his own image, in the image of God created he him; male and female created he them." (King James Bible, Genesis 1:27)

and we are irresistibly attracted to them and value them since we are ‘created in His Image.’ Once again it becomes evident that ethics and economics are inseparable.

In conclusion: There is no longer any reason to be shackled by an inadequate economic theory. This is our world that we live in and which we can shape. We are confident that freedom, justice, unity, and prosperity are all possible once there is the discovery of an ethical economic theory.

An ethical economic theory is what this book explores and discovers. This book demonstrates that economics extends further than previously thought and it finds that the values originating in the virtues inherent in all things have been revealed most splendidly in the Word of God. Such a discovery makes it clear that science and religion are compatible tools for us to use to make the world a better place.





# Chapter 1

## Contemplating a Journey

### *History of the Ethics of the Divine Economy*

#### PREAMBLE

Is it restlessness or rather is it our seeking nature? What stirs us deeply and makes us want to see what is over the next hill or around the bend? This curiosity and wonder about that which is a mystery to us is very compelling.

It is not unlike the circumstance we presently find ourselves in (reading this book) since that is how we arrived at where we are now. What's next? Some trips are longer and more arduous than others but each one has a destination. Each destination is the result of a combination of exercising our will and having a starting point.

Some journeys are played out wholly in the mind and it is our power of reason that enables us to do exactly that. No matter; we can stop our journey at any point, whether we are actually in transit or whether we simply find a reason to do so in our mental enactment. Is the journey too risky? Are we willing to make the necessary sacrifices?

Whether it is a struggling match between our inertia and our exploring mind, or whether we have moved on to the next prospective mystery, in the simplest terms, we are who we are. We are seekers and our joy and our powers come from seeking. That is what vitalizes us.

#### A. THE WOMB

There are glimpses of the early, early days of ethics and they can be validated by human knowledge that has been acquired over time. So

as not to bog down at the beginning it is necessary to just lay out, in simple terms, the powerful storyline of the creation of humankind.

God gave to humankind dominion over all the earth as an expression of being ‘created in His Image’ since God, Himself, has dominion over all the earth. Another attribute of God characteristic of this special creation—the human being—is ‘Singleness.’

What are the implications of these and the other blessings conferred upon human beings? One is that it is extraordinary to be a human being. An aspect of being human has to do with both expression and protection. As a human being thinks and acts the world changes and the changes become a part of the surroundings, ad infinitum. Protection takes the form of human rights being intimately interwoven with property rights. Together, then, expression and protection become manifestations of the dominion and the singleness that is divinely ordained to be a part of the human creation.

Relatively—then and now—the thinking and acting human being can make judgments (judgment being another attribute of God conferred and mirrored) about what is good and what is bad. Being wet and cold is bad. Being warm and dry is good. Being clean is good, being unclean is bad.

Rising above the state of instincts and that of the animals, humans perceived laughing as good and crying as bad, creativity as good and slothfulness as bad, etc. Humans discovered that they were able to carve out an ethic and that an ethic was necessary.

This happened everywhere where humans resided. There was a universal appearance of ethics but there was no system of universal ethics. Some centers, scattered around Earth, had a more developed system of ethics. Not coincidentally these were the places that had been influenced by great ethicists.

For a system of ethics to develop the mind has to have the opportunity to acquire that skill. Much of the early periods of history were full of struggles for basic subsistence, meaning that ethics advanced only when a great ethicist appeared, for example, ethics advanced as a result of the appearance of the Prophet Moses. A revelation such as this led to the emergence of sciences and arts. It was the curious attraction to this advanced civilization that caused the Greek philosophers to travel to Jerusalem to sit at the feet of the Hebrew sages to learn the basis of Israelitish law.

After returning from the Holy Land Socrates ‘formulated his philosophical teachings on divine unity.’[2, p. 272] Both natural and spiritual phenomena were investigated. This knowledge was then the basis of ethics and morality which the Greeks began to systematize. In Greek society, since slaves did the tedious work, the philosophers had the luxury to contemplate and systematize their pursuit of knowledge even though life for most people at that point in the history of human civilization was still just basic subsistence.

Democritus (460–370 BC), a contemporary of Socrates, postulated that ‘moral values, ethics were absolute,’ and that ‘economic values were necessarily subjective.’[30, p. 10] This was one of the first descriptions of the association between ethics and economics.

Basically the Greeks were the first to pursue knowledge for its own sake. This philosophy extended to all areas of speculative thought. They used reason to examine the arts, the sciences, and religion.

A framework of human understanding emerged—cause and effect. Observing and learning from observation led to the development of logic. Aristotle (384–322 BC) has been acclaimed as a ‘magnificent and creative systematizer’[30, p. 3] and it was from his contributed philosophy and logic that both ethics and economics continued to unfold.

First, reality was studied and then it was critically examined. Natural law was the fruit of that endeavor. Natural law identifies the characteristics of each type of thing—an apple is an apple, a stone is a stone, an animal (each species can be specifically categorized) is an animal and a human is a human. In other words, humans have a unique nature and that is part of natural law.

‘Human beings must also have a specific nature with specific properties that can be studied, and from which we can obtain knowledge.’[30, p. 4] The never-ending search for knowledge is part of that nature. It is the act of pursuing knowledge which inextricably links human action to human thought by logical necessity.

Since thought and action are linked as part of the natural law of human beings, the right to take action and the study of natural rights carry the knowledge process into the realm of ethics. It follows, then, that certain vital things are inalienable. A person cannot alienate his or her own will. He is subjective!

Greek philosophy—this love for wisdom—arrived at a system of natural laws; truths about the world and truths about human life that are absolute and universal. This was the groundwork for the study of human action which linked ethics and economics once again. The ‘reasoning of philosophy and economics is both empirical, being derived from the world, and true.’[30, p. 19]

Ethics revolves around the concept of human happiness and a complete life for the individual. Aristotle, and others later, assumed that the acquisition of virtue was the proper goal of human conduct. Stating it as the ‘goal’ implies ‘an ends.’ This may have been the beginning of the separation between economics and ethics. Yet the eudemonists did believe that whenever you are acting you are always promoting some ultimate good of yours, some ultimate end or aim.

What developed over time was a deductive system with axioms. Axioms refer to the principles basic to the deduction process. They represent statements or ideas that are self-evidently true, such as ‘No sentence can be true and false at the same time,’ and ‘The whole is greater than its parts.’ This logic—practiced by the philosophers—was also regarded by them as a part of natural law, pertaining to human beings.

## B. BITS AND PIECES

It was by the use of reason that the natural laws (of the way things are) led to an extension further and further into the human realm. Learning about the nature of the human being necessarily leads to the discovery of the “fusion of ‘spirit’ and matter.”[31, p. 31]

The individual is lord over his or her own self. This does not mean omnipotence. Power is limited by the natural laws but not by the freedom of will. The individual is free to choose his action, and therefore the course of his or her life, within the constraints that are characteristic of that particular scientific and social era.

Value, the worth of something, was noticed to vary depending on the time, place and circumstance. A thirsty man values water more than one who is already satisfied. Determinedly, value was recognized as subjective and specific to the individual.

This connection between the individual and the things he values constituted natural rights and ownership. This connection could be

tested using reason. First, acquisition of virtues constitutes private property. Extension to the physical world of this logical sequence leads to the conclusion that production, the bringing together of human will and resources, is also a part of human creation and therefore is a part of natural rights and ownership.

The unfolding of natural law and natural rights laid the foundations for economics and the social sciences. This is a tradition that runs through the Greek philosophers, the Stoics, the medieval philosophers, and the Scholastics. It bound all of us together according to the Stoic, Marcus Tullius Cicero (106–193 BC): ‘but the same law, unchanging and eternal, binds all races of man and all times, and there is one common, as it were, master and ruler—God, the author, the promulgator and mover of this law.’ [30, p. 22]

My objective in recounting history in this manner is to show the parallel development of ethics and economics without being diverted by the multiplicity of directions that have been taken throughout history. It is also my objective to report the dominant factors that moved the sciences of ethics and economics in one direction or another, and to do so in an unbiased manner.

Saint Augustine (354–430 AD) lived at the time of the collapse of the Roman empire. ‘Augustine’s economic views were scattered throughout *The City of God* and his other highly influential writings.’ [30, p. 34] Deposited within his writings were early intimations about subjective valuation, arbitrage, and a positive attitude towards merchants. In his writings he moved away from the Greek ‘polis’ and towards the role of individuals.

The individualism, at the core, fit the precepts of Christianity which began to emerge as a civilizing influence after the fall of Rome in 410 AD. It is the dominant ethical tradition of the first 2000 years of Western philosophy.

The relatively high level of advancement of the Western civilization of Europe compared to other places in the world had to do with conditions; conditions that also inspired classical liberalism. Of course geography also played a role.

The east (meaning the civilizations of India, China and later, Islam) lacked the primordial thing—according to Ludwig von Mises—the idea of freedom from the State and a legal framework to protect the

wealth of private citizens. After the fall of Rome, up until the 16th century, there was never a completely unconstrained State in Europe. Rather, Europe was composed of a mosaic of kingdoms, of ecclesiastical domains, of principalities, and of city states.

There were two major moderating influences restricting the State from expanding its power—the possibility of exit to another kingdom or city state, which would then cause a shift in the balance of power; and a universal Catholic church. Its adversarial role towards the State put limits on the State's action. In other words, the prince was under the 'law,' referring to the law of God.

Limits on the confiscatory actions of the State protected property rights which ultimately led to the accumulation of capital. Property rights and capital accumulation were the catalysts for the advancement of western civilization.

Hence, it is certain and is obvious that leaving religion out of history would be unrepresentative of the historical truth and would severely limit the analysis. This is true at the macro level—the level of opposition to the State; but it is also true at the micro level—the level of thoughts and ideas.

It is absurd to not talk about the values and the ideals that motivated the philosophers. These values and ideals are extremely important for understanding ethics (defined as the accepted rules of conduct), that is, the principles of honor and morality. After all, to these philosophers a good was that which was in accord with the Will of God.

Notwithstanding, one of the distinguishing characteristics of the Dark Ages was the influence of the Church on the operation of economic laws. Erroneous interpretations of the Scriptures led to a misunderstanding of 'just price' and subsequently of usury, and led to a long history of slow advancement of economic theory. This dogmatic thought limited scientific discovery and deprived civilization of the full benefits of exchange and of capital.

An infusion of new ideas and the emergence of Scholasticism brought about the Middle Ages. Scholasticism was a philosophic and theological movement that attempted to use human reason, in particular the philosophy and science of Aristotle, to understand the supernatural content of the Christian revelation. Its purpose was to integrate the knowledge already acquired by Greek reasoning with the Christian revelation.

This raised theology to the station of a science. Theology was the queen of the sciences in the Middle Ages. Theology is a deductive system. All of the other deductive systems had their own specific axioms and offered truth and conferred wisdom, but to the Scholastics all systems yielded to the overarching deductive system of theology.

Once again ethics joined in hand with economics but not perfectly. For example, the Canonists and the Romanists came to agree on: ‘the common price of a good as the just one.’[30, p. 42] However, usury as a licit service would not be allowed for another 300 years!

One of the great contributors during this period was Thomas Aquinas (1225–74). He brought together philosophy, theology and the sciences of man in a mighty synthesis. An example of his thought is: ‘Man’s function is to take the materials provided by nature and, by discerning natural law, to mold that reality to achieve his purposes.’[30, p. 57]

Aquinas brought back natural law. As it pertained to the human being, natural law acknowledged that the power of human reason enabled mastery of the basic truths of the universe. Thus ethics became decipherable by reason. Ethics and laws, and truths tested by reason, and faith in revelation, made God’s Will discernable.

Thomism advanced Aristotlean thought by incorporating theology. From this tradition arose contributions to economics and ethics that demonstrated the intimate ties between the two. Pierre de Jean Olivi (1248–98) first conceptualized capital. San Bernardino of Siena (1380–1444) used logic to justify private property, the system and ethics of trade, and to discuss the determination of price. Sant’ Antonino of Florence (1389–1459) applied the principles of ethics and theology to the details of everyday life—an early divine microeconomy theorist!

Transition into the next period marked a very significant change. The Late Scholastics were Thomists. For them reason and empiricism were allied and interwoven. ‘Truth is built up by reason on a solid groundwork in empirically known reality. The rational and empirical were integrated into one coherent whole.’[30, p. 129]

This period of the late Scholastics was a great culminating period and it deserves to be regarded as the radical of divine economy theory. Metaphorically the seed may have been planted earlier but during the period of the Late Scholastics it took root. It had all of the necessary

elements to weather the storms to come. It could not be uprooted and washed away.

During this period the last of the economic fallacies were removed by the sharp scalpel of reason and ethics. The ancient contempt for trade and economic gain was changed into a new appreciation.

An interesting side note: these ‘scientists’ had no vested interest in the outcome. They simply sought the truth. These Scholastics were monks living very austere lives, removed from the material world. Their discoveries were for the good of humankind; that was their sole and humble motivation.

Cardinal Cajetan (1468–1534) justified the business lending of money. Francisco de Victoria (1485–1546), the founder of the School of Salamanca, wrote about the morality of commerce. Dominican Domingo de Soto (1494–1560) declared that ‘Christ most definitely did not declare usury as sinful.’[30, p. 105] He proved that—theologically and also according to natural law—usury was perfectly licit.

Luis de Molina (1535–1601) revived natural rights and advanced property rights theory using the sciences of economics, ethics, theology and philosophy. Leonard Lessius (1554–1623) advanced the concept of psychic income.

What a momentous period—minimal State power, all the sciences in harmony with the divine nature of the human being, and all of the economic fallacies removed! Could it be that a divine economy would then propel Western Europe into an unprecedented age of prosperity? No!

### C. ABANDONING SHIP

Conditions were right for a reversal of direction. There was a rise in nationalism. Rulers did not like being constrained by the international Church. As the powers of these nationalistic rulers grew, they stirred discontent of ordinary folk towards papal authority. And seemingly unrelated 16th century events—the advancement of printing techniques and of paper making techniques—played a major role. These made it possible for rapid dissemination of new ideas.

Mix together all of these 16th century conditions with the religious movements like the one started by Martin Luther, from which he attacked the Roman Catholic doctrine, and all of a sudden there were

protests for reformation—hence the name Protestant Reformation. ‘All of a sudden’ is not an exaggeration. Never before could new ideas spread so far and wide and so fast.

The rulers offered no resistance to these movements. Conversion to Protestantism served their ends also—to undermine the universal character of the Catholic Church and to confiscate its property.

The great dividing point in Christianity had to do with the interpretation of ‘justification,’ that is, being right with God. St. Augustine, the great 4th century theologian, interpreted Paul’s teachings on justification to mean a process in which a person became more just, a sanctifying process, that combined with contrition begot the grace of God. Whereas Martin Luther interpreted Romans 1 : 17<sup>1</sup> to mean that justification was obtained by faith alone.

The ramifications for the science of ethics were significant. Medieval Scholasticism rested upon the belief that salvation required active cooperation of human will and the active use of reason. Whereas the reformation view of salvation of ‘by faith alone’ dismissed the need for practicing the science of ethics.

All of the scientific discoveries that stemmed from natural law: the branches of philosophy that dealt with the investigation of reality (metaphysics); and that dealt with the origins, validity and limits of knowledge (epistemology); and that dealt with morality and judgment (ethics); and also the logic of cause and effect, lost relevance in this new mental construct of ‘by faith alone.’ From this Protestant view reason could not be trusted to form a social ethics, which could only come from the divine Will through Biblical revelation.

Now realize the impact of this annihilation of science at the time when the rulers (the State) had their long-awaited opportunity to undermine their number one enemy. Whatever the consequences, the rulers wanted unrestrained power.

The cumulative science that had acknowledged the inviolability of property rights had no chance to be selected as the new scientific methodology. Predictably, any methodology where events were merely reported with no cause and effect analysis, and where there was no

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1. For therein is the righteousness of God revealed from faith to faith: as it is written, “The just shall live by faith.”

ethical judgment about the action of the State, fit the confiscatory plans of the rulers. These were the types of scientific methodologies that became the dominant methodologies—to fill the void left when classical liberalism was minimalized.

Inevitably this caused the basis of education to change. Educational materials in the new printed paper era became available to the masses but the Protestants and the ‘new scientists’ did not include Aristotlean or Thomist thoughts. Without a solid grasp of logic—purposefully left out—the chance that the generations to come might adopt an erroneous methodology increased greatly (and became an inevitability)!

With the increased power of the State, and the parallel weakening of philosophy, logic and ethics there came into existence a new direction in law too. Instead of law being conceived as something pre-existing and to be discovered it was given over to government to make law. Of course scientific philosophy, logic and ethics would all have seen this as a great error.

Moral relativism replaced ethics which made it easy for atheism to become a cornerstone of the ‘new’ sciences. The minds trained by this ‘science’ created a world preoccupied with and dominated by materialism. Out of this cauldron came empiricism; the complete opposite of the deductive, a priori system of classical liberalism.

#### D. REVIVAL

Classical liberalism as a school of thought, although minimalized, never did go away. This was providential because it came out of dormancy during the surge of new ideas and discoveries that characterized the mid-1800’s which revived and revolutionized all arts and sciences—including economics and ethics. Classical liberalism experienced a resurgence also.

In classical liberalism natural rights were seen as the fulfillment of natural laws. Reason was seen as a way to ascertain natural law. It was human nature to act rationally and to seek knowledge and to seek improvements. Because it was part of human nature to act, and to act rationally, aspects of human action could be grasped a priori.

This was the intellectual climate within classical liberalism. Once again ethical theory and economics developed in parallel. Conduct in

accord with right reason—that is, that combined righteousness and reason—was moral by definition.

Conduct that preserved peaceful social cooperation and improved inter-human relations was considered the aim of moral law. Religious teachings that strengthened these moral precepts were accepted as constituting a pool of meaningful and powerful knowledge.

Reappearing as a dominant concept was the dualism inherent in human nature. Active seeking after knowledge yielded a greater understanding of nature and of human consciousness. These studies of reality naturally led to an awareness of ‘what you are doing.’ Applying this type of test and being aware of the integrated harmony of all things led to many advancements.

Within the order of natural laws the concept of morality itself implied that there was a spectrum along which what was moral and what was immoral had to be discovered. Reason, free from hostility towards religion, is necessary to arrive at ethical laws. Ethical laws are those that foster cooperation and association.

Within the ideal environment of cooperation and association it was found that human choices are made and valuations are formed at the margin. This realization initiated the dawn of the marginal revolution. To demonstrate how universal was the impact of this growing body of mid-1800 scientific knowledge: the discovery of marginal utility occurred simultaneously by William Jevons in Britain, Leon Walras in France, and Carl Menger in Austria.

Of these three Carl Menger alone understood that the choices made at the margin were subjective. Not only the choices but also the valuations behind the choices were made at the margin and both the choices and the valuations were made subjectively. Only this conclusion—that humans make decisions subjectively and at the margin—was and is compatible with natural law.

This revival of subjectivism (and away from empiricism) was in the right direction. It was the pursuit along these lines that kept philosophy, ethics, and economics together in harmony.

Menger stated succinctly: ‘All things are subject to the law of cause and effect. This great principle knows no exception.’[25, p. 51] True to the classical liberalism tradition, Menger’s analysis is causal-realistic. Using reason it was possible to prove that peaceful cooperation within the framework of society serves everyone best.

Here is where one aspect of ethics comes in: ethical theory must be true for everyone wherever they are and no matter what period of time in which they live. Freedom always implies the absence of an invasion of a person's property (including their virtues) by another. So, even the acquisition of virtues, those qualities which help define an individual, constitutes private property.

Within this tradition, property rights refer to those things attributed to an individual resulting from the exercise of their will within the constraints of freedom. If it is possible to make a 'contract' regarding its 'use' then it qualifies as property. Property rights are foundational. 'The free market is a society of voluntary and consequently mutually beneficial exchanges of ownership titles between specialized producers.' [31, p. 40]

No surprise however; this period is similar to other periods of history. Even within the classical liberalism tradition there were partial understandings. For example, economics was separated from ethics in an attempt to make it 'value-free.' This supposedly made the distinctions between 'means' and 'ends' crystal clear. But in the real world the distinctions between means and ends may not always be an either/or proposition.

Let's consider a few concepts that straddle both means and ends. Ponder A) and ponder B).

- A) Production consists of changing a product from one state into another more useful or valuable state. Division of labor is one of the means of accomplishing this and it yields a multiplicity of goods which are then more readily available. It was thought that the fruits of division of labor—more goods and services—were motivated by noble sympathy for others as the ends. Yet division of labor can be attributed more directly to a more subjectively selfish motive, that is, division of labor is one of the best means to be productive and thereby to benefit from that higher degree of productivity. It 'just' so happens (not coincidentally it does represent a type of justice) that everyone else also benefits and it just so happens that the justice that is manifest from the division of labor can be seen as both a means and an ends.
- B) Respect for and appreciation of diversity is an ends that honors human dignity. Yet this diversity finds economic expression as division of labor. By the means of division of labor all of the diversity of efforts lead to an increase in prosperity and wealth and a

subsequent elevation of human dignity. Hence, it can be seen that diversity is both a means and an ends.

In *The Foundations of Morality* Henry Hazlitt explains the interweaving of means and ends:

Most things or values that are the objects of human pursuit are both means and ends; that one thing may be a means to a proximate end which in turn is a means to some further end, which in turn may be a means to still some further end; that these 'means-ends' come to be valued not only as means but as ends-in-themselves—in other words, acquire not only a derivative or 'instrumental' value but a quasi-'intrinsic' value. [19, p. 25]

Without knowledge of the interweaving of means and ends, value and wealth are seen almost exclusively in material terms. For these to be understood in 'ideal' terms there has to be a intermingling of means and ends, in other words, a merging of economics and ethics.

Now back to property rights. Take notice, there are only two ways to acquire property and wealth: through production (economic means) or through coercive expropriation (political means). In classical liberalism in the 19th and 20th century, ethics was developing in parallel to economics, however, it had not yet gained the moral authority necessary to outlaw the political means of acquiring wealth.

Nevertheless it is not possible to overestimate the importance of Austrian economics in reviving classical liberalism. Likewise it is not possible to overestimate the contributions of Ludwig von Mises, Murray Rothbard or Henry Hazlitt to these rational and scientific theories of social cooperation. 'Thinking and acting are specific human features of man,' and Mises continues, 'This human action which is inextricably linked with human thought is conditioned by logical necessity.' [26, p. 25]

Step by step, interrelated single actions taken in sequence characterize the essence of action. From simple tasks to complex tasks—this is how it begins and this is how it proceeds. The study of human action can focus on each step or it can examine the outcome of a sequence of steps. Natural law, as it pertains to the human being, is advanced by this study. Close examination of the process undergone to move from one step to the next opens the door for ethics to enter in.

The defining point for each of the human sciences using natural law is the point of action. That is what makes economics such a powerful tool since it is often these points of action—or steps—that are considered as the means to an end. The application of reason to decipher the meaning at each step advances the science of human action.

What we know is that humans are human! ‘Praxeological reality is not the physical universe, but man’s conscious reaction to the given state of the universe. Economics is not about things and tangible material objects; it is about men, their meanings and actions.’ [26, p. 92] It is clear that philosophy and religion (of the past, present and future) cannot be left out without leaving out most of the stuff of history and action.

Not coincidentally the history of ethical theory and of economics developed side by side. Record of this parallel development is described by Mises: ‘Action is will put into operation and transformed into an agency, is aiming at ends and goals, is the ego’s meaningful response to stimuli and to the condition of its environment, is a person’s conscious adjustment to the state of the universe that determines his life.’ [26, p. 11]

From this quote it can be maintained that the sciences of human action are those subsets of philosophy that have formed bodies of work: economics, ethics, and logic. What has been shown by examining the history of ethics is that religion and ethics are interconnected, which creates a potential problem within praxeology, the science of human action. However, the tools needed to solve this philosophical problem are potent and already present in the science of human action.

Upon reflection, it was in the mid-1800’s when science exploded with discovery and refinement and systemization and also when the various disciplines were separated and their boundaries were defined. This differentiation was thought to be the pinnacle for the scientific approaches, and so, independent of each other these scientific disciplines advanced. The question now, at this point in history is: Were the boundaries artificial, and continuing the query, do the boundaries now need re-adjusting?

All of the threads of the science of human action were developed. Are these threads a part of a fabric, a tapestry? All of these questions fall within a larger spectrum, the spectrum of the harmony of science and religion.

The most recent advancement in classical liberalism that pushes against these artificial boundaries that were placed between these disci-

plines is the divine economy theory. Using the logic of a model (Divine Economy Model ©[22, ch. 2]) and by using economic concepts, the equilibrating force in the economy was identified as the divine economy. The equilibrating force in the economy is a power of God similar to magnetism and gravity except that it is also an essential part of the human operating system. Human beings are divine ('created in His Image') and so their actions are divine and subject to the forces of equilibrium, the divine economy.

The equilibrium forces of the divine economy operate best in an unhampered, uncorrupted condition. According to the divine economy theory human intervention into the economy is a source of corruption. What is most significant about this economic truth is that human intervention no longer has any moral authority.

Following a deductive path, the divine economy theory takes us to the seat of action—the individual. But the individual examined is new—it is the divine being, the one 'created in His Image.' Human action in the divine economy theory is seen as the purposeful action of a spiritual being.

Ethics is no longer regarded as merely a mental thought process. The ethical values, the virtues, are no longer separated from their true essence and reality. Here is the truth—the virtues are the names and attributes of God.

Simply stated, the virtues are the names and attributes of God and they appear in some form in everything. For example, I find joy and peace and ecstasy and certitude in a certain musical recording and so I buy it. Humans are irresistibly attracted to the names and attributes of God!

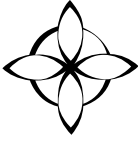
Two great discoveries came from extending the divine economy theory to the realm of the individual—the microeconomy. One, all value ultimately comes from the appearance of the attributes of God when they are expressed in some form and then appear as human action. Two, the interface demonstrated in the Divine Microeconomy Model ©[23, ch. 2] bridges economic science and religion.

Such is the history of the ethics of the divine economy. This book will be another contribution to that legacy.



*Selected Exercises*

1. Discuss “everywhere where humans resided there was a universal appearance of ethics but there was no system of universal ethics.”
2. What were the conditions just prior to the Protestant Reformation that made the potential of classical liberalism so great, but ultimately unrealized?
3. Empiricism came out of what cauldron?
4. Compare economic equilibrium to gravity and magnetism.



## Chapter 2

# Preparation for the Journey

### *Ethical Principles of the Divine Economy*

#### PREAMBLE

We know that we will journey. We do it all of the time. The more arduous or challenging the journey the more preparation we undertake. We also know that we cannot take everything with us. Leaving things behind is an act of cleansing, of sacrifice, and therefore it is purifying.

There is a reason for our endeavor and we have a purpose more or less worked out ahead of time. There is something either that we need or that we need to know, and that is what we are seeking. To make discoveries which fortify our knowledge and confirm us in the truth, even if it is relative truth; that is the expected fruit of our endeavor.

There is no disconnect between us before and us now, nor is there a disconnection between where we are now and where we will be when we arrive at our 'destination.' It is all a part of the journey and the more that all things are brought into unity the greater the discovery of meaning.

So it is, movement along our path brings us satisfaction and peace. If peacefully done our journey will not generate opposing forces. And discoveries will abound most plentifully in this highly sought after milieu of peace.

#### A. ABLUTIONS

I chose the metaphor of ablutions for a couple of reasons. Working out the ethical principles of the divine economy requires preparation and also reverence toward the human reality. Proceeding with our

exploration of the ethical principles first requires that I create the proper atmosphere since we, together, are approaching the unknown.

To start we have to free ourselves from biases, prejudices and ignorance. The most obvious of these are: the ignorance of atheism; all religious prejudices; the biases of partisan politics; and the biases of economic fallacies. That is my objective; from the beginning of this chapter. It is very much like starting from scratch, while at the same time trying diligently to seek a pure vision and intention.

This is a formidable task, one that requires introspection. Our search for truth sends us traveling along a path where we can be absolutely free from things that lie outside our humanness, our reality. Our divine nature reflects itself in the ethical principle that states the following: good is that which is in accord with the Will of God.

Our metaphorical ablution may take us to so deep a meaning that we may come to know ourselves as ‘the vessel.’ Is our vessel half empty or is it half full? Can we fill it? If our intent is to study existence to derive a theory of existence then we have to open doors of mysteries and it is in that subjective mood where secrets unfold.

Unfolding, it turns out, is what progressively over time happens to us, to our personality. That consequent empowerment drives us to life and action and drives our ‘craving for a fuller and happier existence.’[26, p. 882] When we reflect about our action we enter into the realm of praxeology, the study of human action. To proceed further scientifically, we have to choose axioms and we have to choose a method.

Guided by principle and the concepts of the divine economy theory, the ethics of the divine economy needs a simple yet significant amendment to the definition of praxeology. What we are interested in is the study of purposeful action by spiritual beings—an identity in the divine economy theory. I hold to this principle with no compromises to materialistic atheists.

What are the ethical axioms (generally accepted truths) that parallel the praxeological axioms? Mises speaks about praxeology in the following manner: ‘Thinking and acting are the specific human features of man.’[26, p. 25] Here are two axioms of the ethics of the divine economy that fit well with the concept spoken of by Mises:

1. ‘Thought that belongs to the world of thought alone.’
2. ‘Thought that expresses itself in action.’[4, p. 18]

These two axioms are really very important. The first one shows that humans contemplate and meditate and that they need to. But to finally attain this reflective state, contemplation must receive all of the attention. 'It is impossible for a man to do two things at one time—he cannot both speak and meditate. It is an axiomatic fact that while you meditate you are speaking with your own spirit.' [4, p. 174]

The second axiom restated: humans then carry their thought into the realm of action. This is where the ethics of the divine economy gains its distinction. What catches the attention in thought and action of the human being is the appearance of the names and attributes of God. For example, I like a certain chair because it is strong and comfortable. Really it is because these characteristics are variations of the irresistible attributes of our Creator; the Powerful, the Comforter, respectively.

Not only is the appearance of the names and attributes of God the cause of our desire to act but it is also the content of our actions! I move towards the chair ('the Mover' attribute of God), sit down and I feel content ('the Self-Subsisting' attribute of God).

In thought or in action we are in essence spiritual beings. As such it is our unique distinction to consciously seek after truth.

## B. SEEKING TRUTH

Scientifically our search is called ontology, the study of existence. We are interested in both the science and the art of our existence! 'Since time immemorial men have been eager to know the prime mover, the cause of all being and of all change, the ultimate substance from which everything stems and which is the cause of itself.' [26, p. 17] Since humans are divine, 'created in His Image,' knowledge of our own selves takes us in the right direction.

The major axiom of praxeology is the existence of purposeful human action. This is preceded by the first axiom of praxeology and of the ethics of the divine economy—thought. And it is almost the same as the third ethics axiom (see the list of the sixteen axioms of the ethics of the divine economy at the end of this chapter): purposeful action by spiritual beings. The closeness of these axioms is obvious and noticeably parallel: 'This human action which is inextricably linked with human thought is conditioned by logical necessity.' [26, p. 25]

What we find is that the classical ontological model needs a slight adjustment. The classical model classifies everything into one of four categories proceeding from the lowest to the highest state of existence: mineral, vegetable, sensitive (animal), and intellectual (human).

The spiritual power of mirroring the names and attributes of God is not strictly the same as the ability to add, subtract, multiply and divide. It has to do with free will. For example, an atheist has full intellectual powers and is able to discern many things, yet makes the free will choice to see virtues as merely behaviors.

The ontology used in the ethics of the divine economy includes a fifth category. It has to do with the spiritual nature of human beings. Those who are not atheists easily understand how this is an improvement on the classical model.

That is not to say that there are no limitations on the human spirit. 'It cannot comprehend the phenomena of the kingdom transcending the human station, for it is a captive of powers and life forces which have their operation upon its own plane of existence and it cannot go beyond that boundary.' [2, p. 260] Human beings cannot comprehend what is described as the 'alpha and the omega.'

What can be comprehended is then submerged in human reason in an unending search for the basic truths of the universe. Reason, inseparable from human action, is used to discover laws, both physical and ethical, both material and spiritual.

What is the universal logical structure of human beings? The ability to mentally grasp reality fits into one of two constructs. It can happen conceptually by studying the evidences of design in nature or it can happen deductively by finding a cause and effect relationship. This logical structure is part of the operating system of the human being.

The attraction to the names and attributes of God and the mirroring of these same attributes and names in expressions and actions are all a part of the human operating system. Because these 'realities' are hidden to the physical senses (Who among us thinks that a chair satisfies our desire for the Self-Subsisting God?) it is fruitful to use logical and conceptual analysis.

By using conceptual reasoning primarily, it is possible to discover the laws of ethics. It can be said that our rational nature and our power of conscience sharpen our divine faculties and lead to our dis-

covery and application of ethics. 'Action is will put into operation and transformed.' [26, p. 11]

Don't get the wrong idea. Even though divine economy theory needs to be as conceptual as possible that does not preclude the law of cause and effect. There are no exceptions to the great principle of cause and effect.

Since the basic principles of praxeology were discovered by the Greek philosophers, that makes it a good starting point. Praxeology is concerned with conceptual analysis of those aspects of human action that can be grasped from something that is already known (a priori). The branch of philosophy (epistemology) that studies the nature of knowledge, in particular its foundations, scope, and validity; resonates in the a priori method.

Studying humans reveals a methodological dualism. Humans have an animal nature best understood by the use of natural sciences. And humans have a unique consciousness best understood by the human sciences. The study of human consciousness, thymology, is the study of the human mind by human minds in human terms [32]. Ludwig von Mises introduced this new term to designate the traditional humanistic discipline of psychology:

Thymology is ... what everybody learns from intercourse with his fellows. It is what a man knows about the way in which people value different conditions, about their wishes and desires and their plans to realize these wishes and desires. It is the knowledge of the social environment in which a man lives and acts. [20, p. 977]

Humans act and study themselves subjectively. The mind is semi-extrinsic: meaning that things from outside it can be put in—for example, good and/or evil. The dualism of good and evil entering into the mind superimposes itself on the dualism already inherent in human nature.

The question then arises: Can the study of the means to attain the ends (the definition of economics) be value free? Is it separated from ethics? To penetrate this cloud we will begin by comparing explanatory value-subjectivism and normative value-subjectivism.

Explanatory value-subjectivism simply assigns the evaluations of the one acting and no one else's. Normative value-subjectivism assumes that there are no objective moral values, that is, your ultimate desires

are neither right nor wrong; they are simply your choices. There is a difference between these but neither of them confers decipherable value upon the ends.

Another probing insight looks at the difference between instrumental means and constitutive means. Instrumental means are external to the ends chosen. It is simply a case of cause and effect—the means lead to the ends.

Constitutive means are those intermediate steps that are an integral part of the ends, even if only a constituent of the ends chosen. In other words, means and ends are not necessarily wholly distinct. Therefore, logically and conceptually, means and ends overlap which causes the value of the means to be ascribed upon the ends and the value of the ends to be ascribed upon the means.

Basically, ethical behavior is a constitutive means to the ends (living a good human life). Each virtue has value and that is ascribed to the end (living a good human life). Also the value of each virtue extends out to the other virtues since they are very closely interdependent.

Stepping back a little to refresh our vision, we see that examining human action without studying the human mind leads to empty knowledge. It rings hollow. Likewise, if we just study the human mind without considering human action it is a blind exercise since thymology, alone, lacks the ability to discern what the real essence is. The act, human action, is the real manifestation of the thought.

Imagine praxeology as stepping stones (representing human action) surrounded by deep swirling currents of water. These swirling waters represent thymology. It is true that the currents and eddies may appear erratic and even circular, representing aspects of the human mind that seem confusing. The appropriate scientific response would be to apply extremely rational views (conceptualism) to attempt to sort it out.

It is not appropriate to disregard thymology as ‘unlike the stepping stones’ (in other words, to imply that when one is not choosing one is not acting as a human). Nor is it appropriate to weaken the analytical strengths of either praxeology or thymology in such a way that the distinction between them becomes fuzzy.

The solution is to delve into the swirling matrix of thymology and go until the limit is reached. That limit is defined as the point where the higher kingdom, one that is incomprehensible to the lower kingdom, is reached.

The dualism of human nature is complex because of the interaction between the sensitive (animal) and the intellective (human), as given in the classical model of ontology. But is this classical model able to represent what is real? It does not have the ability to take us to the limit for the human kingdom since it does not include the spiritual nature of human beings.

Granted, an approach that doesn't include the 'swirling waters' does allow for a more focused attention on human action. And such a focus does lead to scientific advancement but its limit is far short of the real limit. In the name of 'seeking truth,' the classical model needs a readjustment to be more representative of reality. The ontological model used in the study of the ethics of the divine economy includes a fifth part: the mineral, the vegetable, the sensitive, the intellective, plus the spiritual.

**We have knowledge;** which gives meaning. 'External objects are as such only phenomena of the physical universe and the subject matter of the natural sciences. It is human meaning and action which transform them into means.' [26, p. 92]

**And we have wisdom;** which is the uniting of cumulative knowledge with action. 'Praxeological reality is not the physical universe, but man's conscious reaction to the given state of this universe. Economics is not about things and tangible material objects; it is about men, their meanings and actions.' [26, p. 92]

**The next step, implied, is spiritual perception.** That is our nature! That is where we are going in this book.

### C. UNITY

It is not difficult to perceive a connectedness between ethics and economics. There is an underlying unity that can either be explored or left for someone else to explore. Armed with human reason I will continue with this work of finding, essentially, the harmony between economic science and religion.

Natural law as it is developed does not differ much from the more specifically defined praxeology spoken of by Ludwig von Mises. The study of God, theology, has also been a part of this formula of natural law. That is why I make a slight modification in Mises'

definition of praxeology—making it the study of purposeful action by spiritual beings. With this definition in place it allows a clearer understanding of why natural law and theology are so inextricably intertwined.

Both praxeology and theology are deductive systems, although the axioms are different. What connects them is human action because the act reveals what the values and ideals are that motivate the actor—an actor that is ‘created in His Image.’

Values and wants and ideals become known only in the realm of action. This action tells us more about ourselves and it tells us more about others, which is a very powerful and revealing force in our lives because: ‘True loss is for him whose days have been spent in utter ignorance of his self.’[14, p. 156]

Part of natural law is the inherent perceptive structures common to all human beings. Logic is one example. Another example is the means/ends structure of action. Ethics is a ‘universal code’ that becomes part of the human operating system and it extends beyond the individual. It operates in unison with action.

Praxeology is a broader perspective than economics, in other words, the study of human action is broader than the study of the means to attain the ends. But both are interwoven with ethics since the origin of this type of purposeful action is necessarily human and humans are spiritual beings.

It is true that the purpose of the science of economics is not to establish the validity of ethics. But since ends are goals and goals can be framed meaningfully, the closeness and possibility of unity between ethics and economics drives this quest for unity. Metaphorically speaking, if my destination is across the bay I will try to find a way across.

Once praxeology is slightly reframed as purposeful action by spiritual beings, we no longer push beyond the bounds of praxeology to function as ethicists.

The thing is; everything pivots around action. Action in real terms has an outcome and is some type of production or proto-production. The source of purposeful action springs from a spiritual being and the intended result is a flow of knowledge that makes things better. What if the means is this: a union between spirituality and production, for example, service of any and all kinds?

The dual nature of human beings necessitates that happiness takes both a physical and a spiritual form. By reasoning power, by observation, by intuitive faculties, and by the revealing power of faith, humans can believe in God and ‘discover the bounties of His Grace.’[2, p. 341] The encounters of life that we experience day to day register with us and that process of learning from our life experiences is cumulative. It is through our awareness of the interactions and the combinations of these dual (physical and spiritual) realities that leads us to the acquisitions of perfections.

‘Action is will put into operation and transformed into an agency, is aiming at ends and goals, is the ego’s meaningful response to stimuli and to the conditions of its environment, is a person’s conscious adjustment to the state of the universe that determines his life.’[26, p. 11] I added the underlines to amplify the thought and meaning in this statement by Mises. These words are conceptual and do not impose strict limitations on human action.

I now present to you a major ethical principle of the divine economy: human rights are property rights and property rights are human rights. The acquisition of virtues is part of human life and it constitutes private property! The knowledge that you have is yours.

When human rights are understood as property rights, and when the concept of natural rights—as defined in natural rights theory—is understood, it is possible to bridge spirituality and production. Natural rights theory recognizes the full compliment of human characteristics that provide human beings with the ability to attain the ends chosen. The ends, seeking a complete life, is still the original concept of ethics, that is, seeking human happiness or ‘eudemonia’ (in Greek philosophy).

The pursuit of happiness is natural and the catalytic point of pursuit is action. Individuals are the ones acting. A person making a decision—subjectively—is ‘selfish’ but the word selfish has additional meanings in common usage which misrepresent the subjective action. I use the word ‘subjective’ when I describe a person deciding to do what is best for him or her self. One and only one person can make that decision, and that decision is subjective.

People prefer more goods to fewer goods. Division of labor is one of the ways to achieve the production of more goods so it must necessarily be a spiritual practice. Knowing oneself, including the specific things

that you are good at (hence, division of labor) is part of spirituality and it translates into increased production.

Consider for a moment production as a human creation. The inherent desire of the human being is to be ‘in His Image.’ Humans try to emulate God, the Creator, thus making production a spiritual act, the act of being a creator.

The entrepreneur in classical liberalism is the driving force in the economy. This is because the entrepreneur is alert to discrepancies. The ability to perceive, to judge, and to bring things together, makes the entrepreneur vital to production. These are reflections, the mirroring of the All-Perceiving, the All-Seeing and the Unifying—all names of God. A person exercising these skills is bringing together spirituality and production.

Since the motive power behind all action is impossible to separate from the nature of the human being, ethics and economics are nothing if not in unity. Consider this: entrepreneurial alertness cannot be seen in and of itself—it is not a physical thing—nor can we see God. However, the signs and evidence of both are traceable and serve as proofs of their existence.

Part of the problem that we are addressing is the lack of a positive ethical theory derived from axioms of praxeology. We know that ethics and economics originated in theory together so now it is time to bring ethics and economics back into unity.

#### D. PEACE

We are the species that uses reason to adopt values and ethical principles. After adopting values and purposes then we choose the means to achieve them. There is an interesting overlap here. The choice of ethical principles (ends) by an individual is conscious and it is constituted by the act of choosing, a type of action (means) in and of itself.

Ethics operating at the level of the individual is inseparable from economics since it is proven that it is the appearance of the virtues that is actually the determinant of value. The question is: Is there a seamlessness between ethics at the micro level and the macro level in the same way there is a seamlessness between economics at the micro and macro level?

An economy that is free from intervention at the macro level permits the economy at the micro level to more fully develop. Likewise, a positive ethical theory that is true for all humans (at whatever time or place) would lead to individual conduct (ethical principles underlying action) that is in accord with right reason.

What we recognize at this juncture is that there is a broad ethical theory which is in harmony with the criteria necessary for the economy to function authentically. Knowing that God created humans ‘in His Image’ and knowing that God created the divine institution we call economy; the first and foremost principle of the divine economy is trust in God. The corollary (just as profound) is distrust of human intervention.

From a broad macroeconomic perspective let us look at the ethical principles of honor and morality and see how we can use economic analysis as a test of validity. The example of interventionism and how it starts is illustrative:

A politician promises goods and services which are not part of his or her own property. The lack of honor in such a promise is clear—either it is a lie (a promise with no intention to be fulfilled) or it is promising things that belong to someone else. The lack of morality in such a promise is now very clear also.

Here is the economic analysis. Is acting dishonorably the best means to attain prosperity and justice? Is acting immorally the best means to attain prosperity and justice? The answer is no to both of these questions. Unquestionably honor and morality are the better means for attaining our desired ends—prosperity and justice. It follows logically then that an economy that does not have the intervention of politicians will be less deceitful and will have less immorality. And the economy that does not have intervention operates as intended, that is, if your ethic is trust in God.

What about this idea—that the economy is divine and ethically in potential at the microlevel? Consider this: pure entrepreneurship is the discovery of something from nothing! It does not require any factors of production. It is discovery from alertness. You could say that the discovery is a gift from God. The alertness, the entrepreneurial skill, is a natural part of the process of human search.

A pure entrepreneurial discovery does not infringe on anyone else's ownership since it became known for the first time at the moment of discovery. This is essentially the same as the "finder's keepers ethic" spoken of by Israel Kirzner and Hans Sennholz. There will never be an end to this entrepreneurial possibility, it can never be exhausted because humans are finite, surrounded by the infinite! So there is no reason not to trust in God.

Once value and wealth are looked at in ideal terms the study of the means to attain the ends transforms into an inseparable mixture of ethics and economics. We have all heard it and we all know it: true wealth is not measured by how much money you have!

The ideal, not coincidentally, is none other than the names of God! Not only are they sought, meaning they are what people value, but they are also the measure of true wealth. Examples of true wealth are love, joy, justice, etc. The best means (economics) to attain them (wealth) is to practice them (ethics).

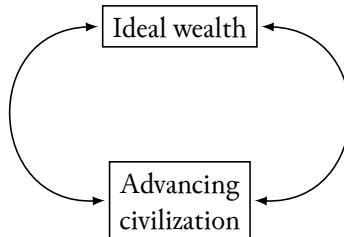


Diagram 2a: Role of Ideal Wealth

Recognition of the exalted character of ideal wealth increases as civilization advances. There is a circular cause and effect between science and civilization and ethics. Each one influences the other.

There is a language in the divine economy that conveys information and enables everyone to communicate about the value of things. That universal language is the price system that emerges during voluntary exchanges that take place as part of the market process. All prices, including inter-temporal prices (interest rates), are part of this universal language.

'People desire things' and some of the things desired are in the future. The inter-temporal prices 'speak' wisely about the relative

importance of the future in comparison to the present. The individual who aspires to wisdom, likewise, becomes a part of the cause and effect circle. Wisdom advances as he or she is influenced by economic science, ethics, and religion; as does civilization.

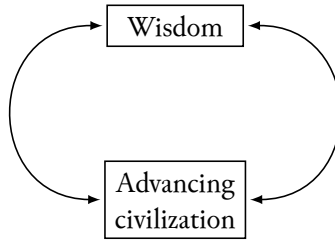


Diagram 2b: Role of Wisdom

The essential unity between ethics and religion is easy to see since ethics is the offspring of religion. The spiritual truths and the names and attributes of God given in religion have inserted themselves into the human sciences from the very beginning.

This impetus energizes the circle of cause and effect at the level of the civilization as a whole and at the level of the individual. In a very real way this impulse was the motive force behind all advancement. That is the nature of religion. That is the nature of the effect of religion on humanity.

Consider what happens when that impetus ceases. The circle is then broken. Once the circle is broken science does not advance as it could have. Civilization atrophies. Wisdom wanes, the desire to learn science and religion lessens.

Wertfrei-neutral or value free economics dares not stretch into the realm of value or ethics. This is not a characteristic of scientific advancement, at least not now when a new theory exists that can traverse the thresholds of both economics and ethics.

Without the understanding given by the Manifestations of God economics halts too soon. Economics as a science has the right and responsibility to test ethics and religion. Testing, of course, is not the same as excluding.

Divine economy theory recognizes that religious truth is revealed by the Manifestations of God, Who educate humankind about the Will

of God. Each time a Manifestation of God comes the cycle of science, religion and civilization is energized.

Even though ethics and religion are in unity they are not exactly the same. For instance, the inherent dignity and nobility of the human being, 'created in His Image,' lays the foundation for the ethic that property rights should be upheld. But the use of one's property may not be moral if a person has not acquired to a sufficient degree the inherent dignity and nobility of being a human. There may be religious laws that address this. If not, or if these laws are not practiced, the ethics of allowing the learning process to occur is the one most compatible with the divine economy theory. Eventually the use that is in accord with God's Will (the moral one) will be chosen because it is ultimately the best means to attain the ends! In other words, the divine economy works at all levels and in all ways!

To culminate and conclude this chapter I list the sixteen axioms of the ethics of the divine economy (a positive ethical theory) that I have identified. Here they are:

1. Humans carry their thoughts into the realm of action.
2. Being a seeker after truth is part of the human operating system.
3. The definition of praxeology used in the divine economy theory is 'purposeful action by spiritual beings' and it is interwoven with ethics.
4. Every human being decides what is best for himself (herself) and this decision is referred to as 'subjective' rather than as 'selfish' (a term which has too many biases associated with it).
5. What catches the attention of human beings is the appearance of the names and attributes of God.
6. The content of our actions is the conveyance of the names and attributes of God.
7. Humans are interested in the science and the art of existence.
8. Our human limit is the point where a higher kingdom is reached, one that is incomprehensible to the lower kingdom.
9. The Word of God extends our knowledge of spiritual concepts.
10. The first and foremost ethic for the divine economy is trust in God.
11. The ethics between the macro and the micro level is seamless.
12. Acquisition of virtues constitutes private property.
13. Human rights are property rights and property rights are human rights.

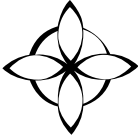
14. The price system serves as a language of the market economy and inter-temporal prices (e.g., interest rates) function the same as all of the other prices emerging from voluntary exchange.
15. Production is a human creation, emulating God, the Creator.
16. Pure entrepreneurship is the discovery of something from nothing.



*Selected Exercises*

1. What is the relationship between seeking after truth and having our thoughts and actions essentially tied together as part of our spiritual nature?
2. Why is the classical ontological model improved by adding a fifth category?
3. Discuss the union between spirituality and production.
4. Discuss why it is so profound that the foremost principle of the divine economy is ‘trust in God’ and its corollary—distrust of human intervention.
5. Comment on the following statement about the virtues: “The best means (economics) to attain them (wealth) is to practice them (ethics).”
6. Which of the sixteen axioms of the ethics of the divine economy do you understand the most and which do you understand the least?





## Chapter 3 Building the Ship

### *Model of the Ethics of the Divine Economy*©

#### PREAMBLE

We have arrived at the point where ideas come to life, where sketches on paper become multi-dimensional, and where glimpses into the hidden realm appear in a palpable form. This changing of form, this transformation, feels real and it serves to bridge the visible and invisible worlds.

At this stage there is a possibility that what appears before us may seem to be unfamiliar, but upon closer examination of the constituent elements we ascertain that only some parts are different, or that maybe the parts are simply arranged differently. This parallelism exists because knowledge is both cumulative and universal and because we are all traversing the same ocean.

That does not mean that new ideas will be immediately or readily accepted, nor should they be. God's gift to us of reason is what enables us to test things. Ideally when we test we do so without prejudices, biases, or other types of ignorance. Potentially, if we reject an idea it is either because the idea is flawed or the integrity of our ability to test is flawed. Now is the time to assess with fairness the model of the ethics of the divine economy.

What are the resources on hand? An assessment of our ability to begin reveals to us the necessary first steps: these first steps are the steps of construction, of building our ship.

Whatever it takes to bring things together becomes the focus of our attention. We have to have a 'ship.' It is the means, the means for us to

reach our goal. And so we must find the means to construct the means!

Our ship is the symbol of what it takes to move us from where we are to where we are going. It has all of the structures necessary to endure the rigors of the journey.

Over time we become master ship builders because we are redoubtable wayfarers; gaining knowledge, tasting victory, learning from defeat, and spurred on by the glory of truth. This cycle of championing the construction of the means is one of the thrills of life.

### A. CONCEPT OF THE DIVINE ECONOMY

Many observers over the years have noticed the natural tendency of human beings to associate and cooperate, benefiting (changing) from this interaction. A question arises: What is the nature of the forces that bring about these changes?

Not long ago I began to contemplate and conceptualize about the forces at work. I refused to separate human action from human reality. In my mind I perceived, and then preserved, the divine station of human creation and made it into an inviolable identity in the broad concept of the divine economy.

The station of ‘created in His Image’ implies that each individual has the potential to be the focal point, the point of action which energizes the surrounding world. And so relative to each human being (whom also has the nature to be social) the economy manifests itself.

I now refer you to the Divine Economy Model © which was published in my first book in 2015. [22, Chapter Two]

This model is an original and significant contribution to economic science. Its significance is growing. The reason is because it is capable of taking economics to new horizons.

One of the most notable outcomes of this model is the identification of the center of the model as the ‘divine economy’. The center represents the force behind it all. In economic terms the center is the force behind the tendencies of equilibrium.

Another outcome has to do with the third axis which is called the ‘Nature and Role of Knowledge.’ Since that axis also goes directly through the center—the divine economy—it serves its purpose best when it is in its pure form. Unfortunately it is subject to disruption and

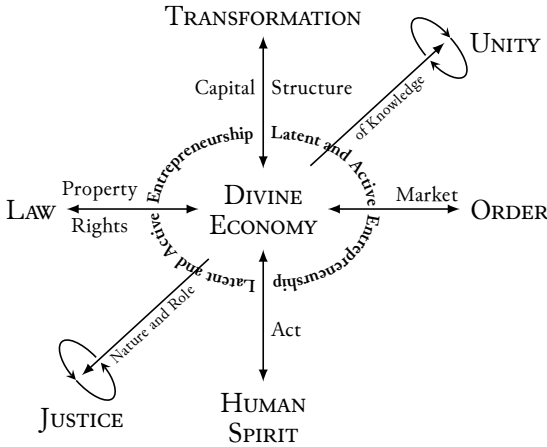


Diagram 3a: The Complete Divine Economy Model

corruption if there is human intervention. Human understanding is, simply stated, finite and not capable of fully comprehending the divine, and so, intervention (imposition of a finite and limited understanding of reality) always creates an injustice.

In summary, the economy is a divine institution that is a part of the human creation as a whole. By way of the divine economy the grace and bounty of God flows with abundance and justice whereas human intervention can hamper and has hampered that flow. Nevertheless it is important to know that the essence of the human creation, each of us individually and also our association as social creatures, is divine in nature.

And so there is now a new definition of economic equilibrium. It is referred to as the divine economy. Upon it is hoisted a new mantle, the mantle of ‘moral authority.’ The unhampered economy allows the will of man to align itself with the Will of God. But is there a way to confirm this assertion? Yes.

I now refer you to the Divine Microeconomy Model © which was introduced in my second book, published in 2015. [23, Chapter Two]

This model did what had never been done before — it built a bridge between economic science and religion! Needless to say this is of great significance to the scientific discipline of ethics.

Clearly there is much overlap between ethics and virtues. To a very large extent they are interchangeable. What I discovered as I extended

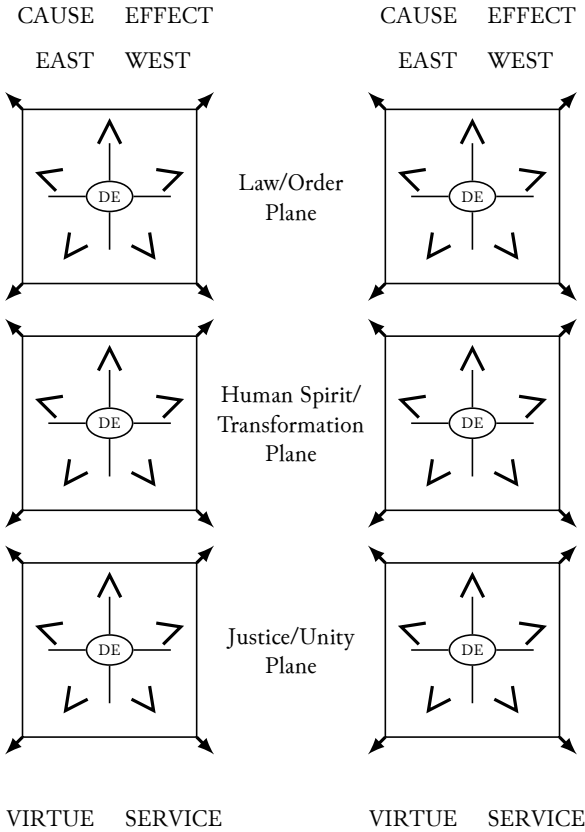


Diagram 3b: Divine Microeconomy Model with the Divine Economy Spark

the divine economy theory to the microlevel was that the appearance of these ‘names of God’ (that is, the virtues embodied in some form) is what attracts human beings.

In economics the things that people want are called goods. We also know with certainty that virtues are goods, not bads. So underlying all economic goods and services, what makes them goods, is the manifestation of virtues in them in some form.

The great discovery made in *The HUMAN ESSENCE of Economics*[23] is that the origin of all value is the appearance of the ‘names of God’—the virtues. This causes a direct link to ethics and so for divine economy theory to advance further a model of the ethics of

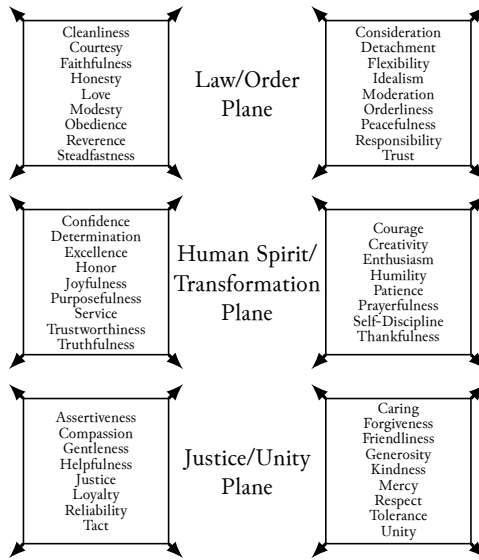


Diagram 3c: Six Planes and Fifty-Two Virtues

the divine economy was necessary. This is why I began this endeavor. And this is how!

### B. CONCEPT OF THE MODEL OF THE ETHICS OF THE DIVINE ECONOMY

A model that depicts the ethics of the divine economy has to acknowledge the existence of God! Needless to say, atheism is completely refuted as a silly and destructive notion. Everything, visible and invisible, is proof of the existence of God.

There are relationships and symbols throughout creation that are fully recognized by the human intellect and which make the infinite more approachable by the finite. An example of one such relationship is a covenant. There is power that comes from a covenant, which is a type of contract. A question arises: How can a simple promise or agreement generate such power?

Continuing along these lines, another example of a symbol which makes the infinite more approachable for the finite mind is an axis. An axis represents a force and power far greater than just a pivot round which something rotates. It takes on the possibilities of infinity because

of its design pattern—it extends to infinity in both directions and it is capable of rotating at infinite speeds—and it empowers the human mind to stretch and grasp reality much farther.

To begin the ethics model, I focus attention on the Human Spirit/Transformation axis (vertical) of the Divine Economy Model © (refer back to Diagram 3a). Therefore notice the dimming of the Law/Order (horizontal) axis.

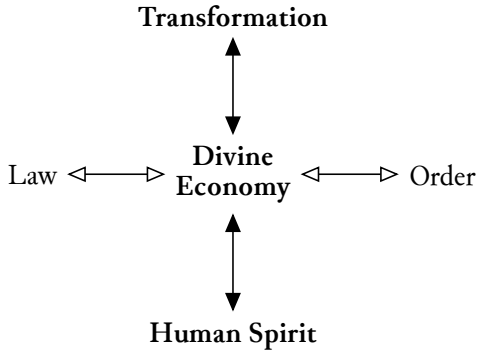


Diagram 3d: Ethics Aspect of the Divine Economy Model

Like the relationships and symbols I just mentioned, this representation is infinitely complex even though it is a simple diagram. Imagine now how and where human virtues fit in.

As the human spirit searches for and acquires virtues; transformation takes place. As the virtues already acquired are refined and perfected; transformation takes place. The divine economy—where the flow of the knowledge of the aspirations of all humans on the planet takes place—is the discovery and testing ground for the virtues.

In search for virtues, in search for an ethic, we use all of the intellectual tools at our disposal. Language, specifically written language, is one of these major tools. There is no doubt that the Scriptures, the Holy Books, serve as a repository of knowledge about virtues. These Holy Books, as far as their origin is concerned, are considered Revelation from God. The content in the Holy Books that is directly attributed to the Voice of God is referred to as the Word of God.

I now return to the concept of a covenant, we find that in the Scriptures, God enters into a covenant with those ‘created in His Image.’

The covenant states that He would never leave them to themselves; He would never deprive them of His love and grace.

This concept allows me to add the second component of the ethics model of the divine economy.

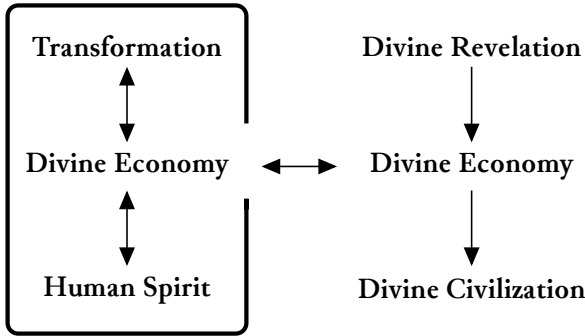


Diagram 3e: Model of the Ethics of the Divine Economy

The potential outcome of each Revelation is the appearance of a divine civilization; of course, relative to the spiritual and social capacity of humankind for that dispensation.

Notice in the diagram the role played by the divine economy. It not only serves as the discovery and testing ground for the virtues but it also is the means for the attainment of the divine civilization!

Attention is needed here. The search after virtues, ethics, is the essence of the divine economy and the divine economy is the means to the ends. It is therefore not possible to advance economic theory without advancing ethical theory.

To conclude this section I introduce to you the shorthand designation for the model of the ethics of the divine economy. It is DR/DE/DC, short for Divine Revelation/Divine Economy/Divine Civilization.

### C. SYMBOLISM OF THE MODEL OF THE ETHICS OF THE DIVINE ECONOMY

This model has merit in its simplicity—DR/DE/DC—and in its complexity. It is not an easy task—developing a model that represents historical, scientific and spiritual truths!

We are not finished with the very powerful concept of the Covenant of God. What is the other half, the reciprocal half of that covenant? God promises to guide us; but what is our end of the deal? Reciprocally we are bound together as one human family. Perhaps that is the underlying reason why we are basically social creatures. Nevertheless, the economy is the divine institution that enables us to fulfill our end of the deal.

The Divine Microeconomy Model© (refer back to Diagram 3b) accomplishes the remarkable feat of bridging economic science and religion. One consequence of that model is that the simplicity of the essence of economics is identified as the appearance of virtues in ourselves and others and in what we produce. This is what is valued.

To further develop the ethics model I continue the application of the concept of the covenant. This time the model is placed juxtaposition to a portion of the symbol of the ‘Greatest Name’ which was designed by ‘Abdu’l-Bahá.

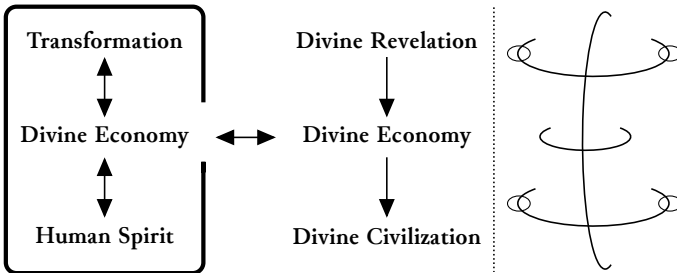


Diagram 3f: Complete Model of the Ethics of the Divine Economy

Although in the original language of Arabic this symbol is actually letters composing a name it also is a symbol of reality. Let me describe the symbol for you. Notice that the top horizontal line and bottom horizontal line look alike. The top represents God and the bottom represents the human being ‘created in His Image.’

The center horizontal line represents the Manifestations of God, sent in every age to guide and educate humanity as promised as part of the Covenant. The center vertical line represents the Holy Spirit, the Word of God, which connects finite humans to the infinite God and teaches us His Will.

The reason I placed the ‘Greatest Name’ symbol in juxtaposition to the model is to make some comparisons and to contrast. This exercise is an example of combining both the art and science of economics. You are about to experience the beauty (the quality of a thought that arouses admiration or approval) of this scientific model.

Pause for a moment in comparison. Notice the horizontal layers across all three representations; and notice the similarities in what they represent. Now compare how in each form there is also a verticality to them which seems to bring together realms that otherwise might be perceived as unconnected.

Changing to a contrasting mode also reveals some very exciting points of beauty. The vertical connecting symbol in the ‘Greatest Name’ is continuous; ever-flowing as promised in the covenant.

Whereas if you notice in the Complete Model of the Ethics of the Divine Economy (Diagram 3f)—in the portion brought over from Diagram 3e—in the leftmost portion the vertical movement needs to ‘enter and exit,’ flowing in both directions and undergoing some kind of processing along the way. And then notice that in the rightmost portion of the model, (DR/DE/DC) brought over from Diagram 3e, the flow is only unidirectional.

The main benefit from juxtaposing the ‘Greatest Name’ with the model in Diagram 3e was to gain a further understanding of the moral authority of the divine economy. There is a sacredness in this covenant between God and each of us. The divine economy is part of the fulfillment of our sacred nature, that is, our ‘created in His Image’ nature.

#### D. CYCLICAL NATURE OF THE MODEL OF THE ETHICS OF THE DIVINE ECONOMY

What we see as a cycle in the divine microeconomy is this: 1) the discovery of virtue(s) in the divine economy matrix (also referred to as the market process), 2) followed by the acquisition of virtue(s) in some form, 3) and then transformation, which only serves to sharpen the discerning powers. This leads to more discoveries of those things that we inherently value, whether they appear as material goods or as ‘ideal’ goods.

In the ethics model, the unidirectional portion of the DR/DE/DC model (the right half of Diagram 3e) appears to exhibit finality but

that is a ‘short-run’ phenomenon. Within a single dispensation there is a fully completed cycle which comes to an end. In the long run the model would have a more dynamic nature represented by the following diagram.



Diagram 3g: Change Over Time

The determining factors of these cycles since the beginning of time have been the condition of the world; that is, the physical, intellectual, and spiritual evolution of humanity.

This is part of what is called the Greater Covenant of God. When human beings are ready to receive the next Revelation then it occurs. This can be represented by the following diagram.

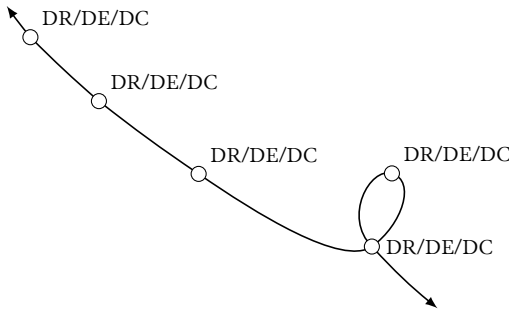


Diagram 3h: Cyclical Nature of the Model of the Ethics of the Divine Economy

It is clear from Diagram 3h that the Model of the Ethics of the Divine Economy© has a cyclical nature. Viewed from this broad perspective it becomes clear and evident that the divine economy is the means to attain the ends over and over again. It is also clear and evident that the divine economy can be viewed in terms of cause and effect. In other words, the divine economy theory is causal-realistic. There is a cause and effect relationship between the divine economy and the divine civilization.

Economics is the study of the means to attain the ends and that is exactly why the divine economy theory is so important. The divine economy is the means! Therefore, it is to be studied.

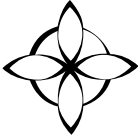
Equally as monumental a finding is the inseparability of economics and ethics. What is evident beyond question is that the Manifestations of God are the true, real, and original Ethicists. Equally true: the Word of God revealed by the Manifestations of God is the foundation of ethics. Let's give honor to where it is due—God is our Creator and He is the Source of all knowledge.



### *Selected Exercises*

1. Express your amazement at the complexity of the simple DR/DE/DC model.
2. Discuss the implications, with regards to our social nature, of our end of the Covenant: “bound together as one human family.”
3. Examine Diagram 3f and discuss to your heart's content the lateral relationships, the relationships of the horizontal elements, and the relationships of the vertical elements.
4. Keeping DR/DE/DC in mind discuss how the divine economy is part of the history of the evolution of humankind.





## Chapter 4 Taking Along a Map

### *Religious History and the Ethics of the Divine Economy*

#### PREAMBLE

What is our perception of the world? What are the barriers and where are they? We have to know where we are now relative to where we are going next.

Then we have to map out our course. The more accurate the map the better we will be able to avoid pitfalls. Oftentimes a thorough studying of the map will give us the confidence to act.

After studying the map it may become evident that certain routes are more desirable even though they may be more circuitous. These factors, including how others may be affected, contribute to the decision about which way is the best way.

There is a balance in life. Using maps that provide information to us about what is unknown enables us to conduct ourselves more harmoniously with our surroundings. This wholesomeness affects ourselves and others and lessens the chance that our decisions will be driven by our ego.

#### A. SOURCE

Religion and ethics are like sisters from the same household. They are not exactly the same yet there is a familial resemblance. Many of their features are quite similar. Those who know both sisters of course know that they come from the same source. Those who only know

one—ethics—see the virtues of that one but know only part of the worth of that household.

Leaving that analogy I will continue to draw on the use of other analogies to make comprehensible to us concepts that stretch the limits of our knowledge. It is the illumination from the Manifestations of God that provides us with that type of knowledge—knowledge of realities beyond our comprehension.

Consider how vital the sun is to our existence. Should it cease to release its energy for an instant everything in our world would not only stop developing but would recede into non-existence. A moment of reflection reveals to us how utterly dependent we are on the illumination from the sun.

Carrying that thought further, now imagine the sun as an intermediary, a gift, a bounty of the Will of God. The sun, one tiny speck in the universe, enables us to exist and it provides us with a glimpse into the greatness of our Creator and of the love and power of God. How else, except through the signs of God, can we comprehend the Incomprehensible?

In essence, as recorded in all the various Scriptures, God gave dominion over all of the earth to us beings who are ‘created in His Image.’ The process of recognizing this exalted station and of evolving a responsible and dignified ethic that honors such a distinction is ongoing.

The unfolding of this spiritual evolution resembles the stages of development of the embryo in the womb. Even though it changes shape and form and develops, from the beginning it is always essentially human. The later stages are higher forms with greater perfections. This metaphor does not only apply to physical characteristics but also to intellectual and spiritual capacities.

The degree of refinement and perfection at each stage is greater than that of a previous stage. Why should we think that the platform of the sciences is independent of these cataclysmic developmental periods? Social evolution—the structure of human civilization—is not immune either.

Questions fill us and fulfill us, that is part of our nature. The powerful tool of science enables us to answer questions of ‘what’ and questions of ‘how?’ It is beyond the realm of science to answer the question ‘why?’ Religion is the powerful tool that can answer the question ‘why?’

Therefore combining science and religion helps us to fulfill our seeking nature more fully.

Now posing that question—‘Why?’ Tracking the answer to its source and tracking the source of all sources to its origin leads us to God. ‘No thing have I perceived, except that I perceived God within it, God before it, or God after it.’[11, p. 178]

In the tradition of Kumayl it is written: ‘Behold, a light hath shone forth out of the morn of eternity, and lo, its waves have penetrated the inmost reality of all men.’[11, p. 178] When the sun dawns upon the horizon its rays awaken and revitalize the world. Likewise, when the Day of God dawns upon humanity its rays affect human hearts and minds.

Hearts and minds affected by the rays begin to influence events. The thoughts of philosophers influence the actions of other people even though they themselves are unable or unwilling to exemplify their thoughts in their own lives.

Spiritual Teachers, the Manifestations of God are different. They influence events. They influence the actions of others. They also embody all of the exalted concepts and ideals into Their own actions. In other words, the divine thoughts and the actions of the Manifestations of God are inseparable.

Why? Religion can answer this question, science cannot.

The simplest and purest example of a word of action is ‘BE.’ Consider the popular use of this phrase: ‘To be or not to be that is the question’ and see how it resounds with us!

The letter ‘B’ is brought together with the letter ‘E’ and a word is formed. God brought ‘B’ and ‘E’ together: Be and it is! God is the Creator. The creative force is His Word—Be and it is! The Manifestation of God is the Word of God made flesh. That is why the divine thoughts and the actions of the Manifestations of God are inseparable.

Words are the repositories of meaning for humans. Letters themselves have no meaning. So it is that the Word of God has great significance since that is *how* we know what our Creator is like, and *what* is the Will of God. Notice that science potentially fits into this exploration also since the Word of God addresses the questions of ‘how’ and ‘what.’

One point of interest is that the source of information about God is the Manifestation of God and this is confirmed by the Manifestations of God. Here are two examples:

1. 'The source of all learning is the knowledge of God, exalted be His Glory, and this cannot be attained save through the knowledge of His Divine Manifestation.' [14, p. 156]
2. 'I am the way, the truth, and the life: no man cometh unto the Father, but by me.' [21]

The source of the knowledge which serves as the foundation for ethics is the Word of God—the life and teachings of each of the Manifestations of God. The purpose of the Word of God is to provide us with the knowledge necessary for us to advance and develop until all of our potential is made evident. It is a means for us to truly know ourselves.

So it is that the 'luminous Gems of Holiness' appear in the 'noble form of the human temple' and unveil 'the mysteries of the unchangeable Being.' Their knowledge and power are from God. 'By the revelation of these Gems of Divine virtue all the names and attributes of God, such as knowledge and power, sovereignty and dominion, mercy and wisdom, glory, bounty, and grace, are made manifest.' [11, p. 47]

In accordance with the Covenant of God, 'men at all times and under all conditions stand in need of one to exhort them, guide them and to instruct and teach them' and it is God's Messengers Who educate us about 'the divine purpose underlying the revelation of Books and the raising up of Messengers, and that everyone may become aware of the trust of God which is latent in the reality of every soul.' [14, p. 161]

Another significance of understanding the importance and purpose of the Manifestations of God has to do with maximizing our intellectual powers. If our thoughts are scattered we will not be able to achieve the results we seek. If we can concentrate our thoughts on a single point we can better produce results; and yet I am not talking about narrow-mindedness. The vastness of the Word of God is immense, so the greatness of the human potential deposited in the Word of God will yield abundantly if it is focused upon.

'In the spiritual realm of intelligence and idealism there must be a center of illumination, and that center is the everlasting, ever-shining Sun, the Word of God.' [2, p. 254] Just like what would happen if the sun never rose again on the horizon, the human reality would be extinguished if the Word of God halted. The Covenant of God promises that 'B' and 'E' will come together again and again and again and recreate all 'things' each time.

For the human, the re-creation of all things shakes to its foundation the physical, intellective and the spiritual processes. Now consider the potential impact on us: It is the function of a human being to take the *resources provided by nature* and, by discerning *natural law*, to transform that *reality* in such a way so as to achieve his or her *purposes*. All of the italicized words undergo an upheaval when the foundations of things are shaken.

Religion explores and explains why; science explores and explains what and how. Science that is misaligned with religion does a relatively poor job of exercising its powers. Misaligned science is like a clean and polished mirror in need of light to be reflected in it.

I will now divert slightly to examine subjectivism. I postulate that subjectivism has a type of seamlessness to it but that there is a macro level and a micro level. The intellective part that describes the rational soul and its processes represents the micro level of subjectivism.

At this micro level of subjectivism the individual is aware of its own oneness as an individual. Its decisions are relative to itself as an individual and thus are subjective. At this level the questions sought are ‘what?’ and ‘how?’ What affects me? How does it affect me?

At the macro level of subjectivism the individual is aware of its oneness with God and with all who are ‘created in His Image.’ Its subjectivism reflects the desire for what is best for ‘one soul in many bodies.’ The influences that it directs towards the decisions made pertain to the question ‘why?’ Why are we all affected?

Another human dualism comes to the surface—the dualism of the spirit and the mind. The mind is the perfection of the spirit. If the intellective is the highest level of development achieved by an individual then the rational soul is like a polished mirror in need of light to reflect in it. If the individual attains to the spirit of faith and operates additionally as a spiritual being then the polished mirror reflects the light of the luminous Gems of Holiness—the teachings of the Manifestations of God.

The transitional point is one of volition. The act of exercising the human will brings us face to face with another dualism, another part of the nature of the human being—the free will. A person can turn towards God or turn away from God.

It is true that those who do not believe in God do share in the benefit from ethics. Ethics is decipherable by reason because what is good for humans is also what is desirable for humans. *What* is good and *how* it benefits everyone is the contribution of science to ethics. Religion adds the meaningful aspect of *why*. Religion also contributes to the expansion of the possibilities of ‘what and how,’ however, it exclusively reveals why.

Speaking scientifically and being meticulous about adhering to value-free analysis, Mises recognized that from the beginning humans were eager to know the prime mover and that ‘which is the cause of itself.’ He referred to the id as a force that drives humans towards satisfying their ‘craving for a fuller and happier existence.’ [26, p. 882]

The human propensity towards alertness that is exercised at the intellectual level makes it possible for the discovery of the virtues and the discovery of the time and place to put them into practice. When alertness is rightly directed towards the source of the virtues—the heavenly Sun—the mysteries of the spirit become known. This is an advanced state of being, higher than the intellectual alone, and it is accessible to everyone once certain biases are dismissed.

## B. PRACTICE

Discovery is just the first step: just like an embryo begins as a cell. The embryo continues to progress as it moves *involuntarily* through its sequence. Likewise, the highest level of perception within every human being grows in capacity simply because life is like a training ground.

Life in the womb is developmental and the faculties emerging in the womb are for another world, the life after the womb. This sign and symbol holds true for the world we are now in. The faculties that we acquire and refine in preparation for the next world are both involuntary and voluntary which denotes one significant difference between this world and the world of the womb.

The physical nature of the faculties developed by the embryo in the womb bind them to laws of biology, chemistry and physics. Acquisition moves along involuntarily and the nature of the transformation is subject to the laws of the natural sciences.

In this post-womb world free will emerges early in the human developmental stages and it is in the full plenitude of its powers

by young adulthood. Consequently it is clear that not all progress is involuntary in this world.

When an embryo reaches its completion it leaves one physical world and enters into another physical world. When a human being like you and me leaves this world the physical elements return to their mineral state. Our spiritual nature, our soul, continues into the worlds beyond.

The world beyond is not fathomable to us just like the embryo in the womb cannot fathom this world. The Manifestations of God provide us with knowledge about these matters.

What we are concerned with is supplementing the involuntary acquisition of these virtues that happens during the course of association with the body. As the free will is channeled and directed towards acquiring the names and attributes of God—the virtues—life in this world and the life beyond become more glorious. It is a gradual process but nevertheless that is our purpose.

Mises states: ‘Everybody thinks of economics whether he is aware of it or not.’[26, p. 878] The same is true with ethics. Since objectification in the material world is always preceded by the spiritual factors, this means that the spiritual factors of economics and ethics precede their material expression and are embedded in the Word of God. It turns out that the reality of economics and ethics begins sooner than we thought and from a different source than we thought.

Consider both the voluntary and involuntary incorporation of ethics. Life experiences contribute to this accretion. In truth it is the economy that provides us with the practical arena for us to discover and polish these gems, our human virtues, which are a part of our inherent capacity.

The practice of virtues is not some self-deprivation exercise by an ascetic. The true training ground is conscious and purposeful action. Society ‘always involves men acting in cooperation with other men in order to let all participants attain their own ends.’[26, p. 170]

To begin the practice of ethics, the names and attributes of God within and without all things needs to be perceived. ‘Meditation is the key for opening the doors of mysteries. In that state man abstracts himself: in that state man withdraws himself from all outside objects; in that subjective mood he is immersed in the ocean of spiritual life and can unfold the secrets of things-in-themselves.’[4, p. 175]

As experiences grow the practice of ethics begins to influence society. As part of social evolution ethics spreads from the enlightened to the unenlightened. It spreads by rational persuasion.

This is not a foreign concept. Rational persuasion is similar to the cultivation by a gardener which changes wild fruits into finer, sweeter and more delicious fruits. 'The gardeners of the world of humanity are the Prophets of God.' [7, p. 194] Rational persuasion, then, has the Word of God as the transmitter and the seeker after truth (both scientific and religious) as the receiver.

I will briefly present examples of ethics on a grand scale that followed after the appearances of the Manifestations of God. Similar outcomes occurred each and every time the Sun of Truth rose above the horizon but I will only mention the ethics promulgated by the revelations of Moses, Jesus, and Muḥammad.

Consider the foundation of civilization laid by Moses. God's revelation to Moses 'set in stone' a moral code that transformed His people and which has permeated and greatly influenced human civilization ever since.

The revelation received and taught by Jesus was of a different nature. God's gentle love was to be taken to heart and extended to others in an 'other worldly' manner since the divine world was seen as the real world. This personal relationship with God created, paradoxically it seems, an ethic of individualism which later yielded the civilizing insights of classical liberalism.

When Muḥammad began to promulgate the revelation from God that He received as a Prophet of God the inhabitants of Arabia were living as scattered, wild tribes. Lower loyalties were replaced with a higher loyalty to God to Whom every action and word was known. The subsequent building of a nation operating according to the precepts of God was most certainly an advancement in the history of human civilization.

Other Supreme Ethicists Who initiated civilizations centered upon their ethical teachings are: Abraham, Krishna, Zoroaster, Buddha, and Bahá'u'lláh. Since human conditions change over time certain ethical principles may need particular emphasis but all of the virtues are re-emphasized each time a Manifestation of God appears.

## C. UNITY OF ETHICS

Ethics is a universal feature of religion and a universal foundation for civilization. ‘These attributes of God are not, and have never been, vouchsafed specially unto certain Prophets, and withheld from others. Nay, all the Prophets of God, His well-favored, His holy and chosen Messengers are, without exception, the bearers of His names, and the embodiments of His attributes.’[11, p. 47]

Since subjectivism operates at both the micro and macro level each of the virtues has the potential to be perceived as a means and as an ends. Due to human nature—where the immediate future is preferred—priority is given to the virtues that function principally as means. What makes religion satisfying to people is that the ends are ultimately attained by exercising the virtues as a means.

In a question and answer format the following example from the Bible expresses what the practice of ethics leads to. ‘Lord, who shall abide in thy tabernacle? who shall dwell in thy holy hill? He that walketh uprightly, and worketh righteousness, and speaketh the truth in his heart. He that backbiteth not with his tongue, nor doeth evil to his neighbour, nor taketh up a reproach against his neighbour.’[27] The destinations—the ‘tabernacle’ and the ‘holy hill’—are full of joy, love, peace, kindness, forgiveness, trust, justice, strength, holiness, mercy, etc. The ends resemble the means!

Our keen alertness, the entrepreneurial spirit, drives us to wonder if there is a master key. Yes, there is. ‘Truthfulness is the foundation of all the virtues of the world of humanity. Without truthfulness, progress and success in all of the worlds of God are impossible for a soul. When this holy attribute is established in man, all the divine qualities will also become realized.’[2, p. 384]

This is the best starting point. As with all of the virtues it is essential that they are applied to ourselves just as we apply them to others. Essentially then, it would not be truthful if one shows kindness to others but neglects to be kind to oneself.

In the *The HUMAN ESSENCE of Economics* I use 52 universal virtues in the Divine Microeconomy Model ©. Although not exhaustive it is plenty challenging enough a list since each one can always be refined further. Nevertheless, here are a few more: audacity, consecration, and tenacity.

The secret to success is to keep focused. If the names and attributes of God receive your attention the fruits of your effort will be wonderful. 'One cannot obtain the full force of the sunlight when it is cast on a flat mirror, but once the sun shineth upon a concave mirror, or on a lens that is convex, all its heat will be concentrated on a single point, and that one point will burn the hottest. Thus is it necessary to focus one's thinking on a single point so that it will become an effective force.' [5, p. 110]

All of us want to receive and to be the beneficiary of a full compliment of virtues from others, as much as possible. When I encounter another human being it would be nice to be respected and loved and trusted, and forgiven and favored, etc. This desired ethic that is universally sought is referred to as the 'Golden Rule.' All religions have a similar exhortation to this one in the Bible: 'In every thing, do to others as you would have them do to you.' [24]

#### D. WHOLESOMENESS

Wholesomeness is the foundation of ethics from the beginning of recorded history. This is the ethics that had a real impact and that formed the basis of civilization in each epoch. It was from the Chosen Ones of God that this enduring legacy of goodness originated and that is an unassailable fact.

Philosophers dabbled in the science of ethics and made contributions but they were not the originators of any of the spiritual truths. The greatest error and one that robs the science of ethics of its discerning power is to disbelieve in the One true God. Atheism in ethics is like an unlit candle in the darkness. It can be carried around but it sheds no light and it serves no real purpose.

What is the whole picture of ethics apart from just tidbits found here and there and scattered across the time horizon?

Be generous in prosperity, and thankful in adversity. Be worthy of the trust of thy neighbor, and look upon him with a bright and friendly face. Be a treasure to the poor, an admonisher to the rich, an answerer of the cry of the needy, a preserver of the sanctity of thy pledge. Be fair in thy judgment, and guarded in thy speech. Be unjust to no man, and show all meekness to all men. Be as a lamp unto them that walk in

darkness, a joy to the sorrowful, a sea for the thirsty, a haven for the distressed, an upholder and defender of the victim of oppression. Let integrity and uprightness distinguish all thine acts. Be a home for the stranger, a balm to the suffering, a tower of strength for the fugitive. Be eyes to the blind, and a guiding light unto the feet of the erring. Be an ornament to the countenance of truth, a crown to the brow of fidelity, a pillar of the temple of righteousness, a breath of life to the body of mankind, an ensign of the hosts of justice, a luminary above the horizon of virtue, a dew to the soil of the human heart, an ark on the ocean of knowledge, a sun in the heaven of bounty, a gem on the diadem of wisdom, a shining light in the firmament of thy generation, a fruit upon the tree of humility. [11, p. 284]

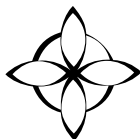


**NOTE:** Some readers may want to jump from here to Chapter 7 to see how the model helps us to understand the harm caused by intervention. Later you can come back and read Chapters 5 and 6, which look at an example of how specific ethical teachings can be inserted into the model.

### *Selected Exercises*

1. Describe the great difference in potency between a ‘letter’ and a ‘word.’
2. Comment on the relationship of involuntary development and the natural sciences on the one hand versus the relationship of voluntary development—human free will—and subjectivism on the other.





## Chapter 5 Taking Along a Compass

### *Placement of the “Hidden Words” Into the Model*

#### PREAMBLE

How to proceed? Use a compass to direct the ship from your present coordinates to the new coordinates on the map. By repeating this during the trip and recording it on the map the path of the ship’s journey appears right before your eyes.

Perhaps it is not deemed immediately necessary for yourself but such documentation serves other purposes. To have documentation adds substance. It may even offer validation—a way to prove that the journey occurred.

How would we have fared without a compass? It is almost a certainty that we would have found ourselves lost. Metaphorically speaking, being lost without a compass is not where anyone wants to be.

We need the guiding principle of a compass. We need the consistency and the dependability provided by the standard of the magnetic north pole. There is no doubt that guidance is vital for all of life’s journeys.

#### A. APPEARANCE

To leave religion out of human evolution in any of the facets of human accomplishment is to leave out tremendously significant content and influence. This is true in the past, as it is true in the present, and as it will be true in the future.

Although far from initially appreciated and although exposed to the cruelty of those with vested interests in obsolete practices, each

of the Bearers of the knowledge of God opened the door to a new epoch. 'Unveiled and unconcealed, this Wronged One hath, at all times, proclaimed before the face of all the peoples of the world that which will serve as the key for unlocking the doors of sciences, of arts, of knowledge, of well-being, of prosperity and wealth.' [14, p. 96]

Let me take you to the time and place where a supreme ethical work was cast upon the shore of religion from the Ocean of Revelation. In 1858, on several occasions, while walking along the banks of the Tigris River in Baghdad, an Exile named Bahá'ú'lláh recorded the Verses showered upon Him.

On a sheet of paper folded into quadrants, front and back, His Pen wrote eight of these 153 verses. In a similar manner all were penned either in Persian or Arabic. These verses comprise the book entitled *The Hidden Words*.

Simply stated *The Hidden Words* is the repository of the ethical teachings given to humanity from the beginning of time. 'This is that which hath descended from the realm of glory, uttered by the tongue of power and might, and revealed unto the Prophets of old. We have taken the inner essence thereof and clothed it in the garment of brevity, as a token of grace unto the righteous, that they may stand faithful unto the Covenant of God, may fulfill in their lives His trust, and in the realm of spirit obtain the gem of Divine virtue.' [12, p. 155]

*The Hidden Words* is a distillation of the ethical content of the Word of God for the whole Prophetic Cycle, from Adam through Muḥammad. All of the Great Lights that have appeared in the past are joined into one Light within this great ethical work of Bahá'ú'lláh.

This is how Bahá'ú'lláh describes *The Hidden Words*: 'The mystic and wondrous Bride, hidden ere this beneath the veiling of utterance, hath now, by the grace of God and His divine favor, been made manifest even as the resplendent light shed by the beauty of the Beloved. I bear witness, O friends! that the favor is complete, the argument fulfilled, the proof manifest and the evidence established. Let it now be seen what your endeavors in the path of detachment will reveal. In this wise hath the divine favor been fully vouchsafed unto you and unto them that are in heaven and on earth. All praise to God, the Lord of all Worlds.' [13, after #82]

This fountain of ethics will transform humanity, regenerating the human race, activating the divine economy and stimulating the emergence of a divine civilization. ‘Let it now be seen what your endeavors in the path of detachment will reveal’ reverberates in *The Hidden Words* and throughout the minds and hearts of all men and women.

## B. VALIDATION

This dynamic spiritual leaven cast into the life of the world will reorient the minds of men, will edify their souls and rectify their conduct. If that is not ethics or the science of ethics then nothing is. The fact that there is a cyclical nature to the ethics of the divine economy, as portrayed in Diagrams 3g and 3h, confers upon us the responsibility to use our powers of discernment to find the wellspring of ethics.

Again returning to the concept of dualism, another way to understand the dual nature of human beings is to realize that this ‘imperfection’ in human constitution, the freedom of will, is what makes him or her worthy. Victory, moral attainment, attainment of those human qualities that earn praise and reward, come as a result of striving against our lower nature.

Through the tests and trials of life we navigate, using our own knowledge, determination and action. Our progress in this world—the acquisition of the names and attributes of God—and our ability to conquer our own ego earns us the well deserved light of justice.

Our search for truth increases our capacity. With the true attainment of virtues we find ‘things’ that are secure, certain, inalienable, and eternal. These human rights are inviolable property rights. Since these attributes are not material they are not subject to dissolution. In other words, they are real and permanent.

When a reader explores *The Hidden Words*, the focus quickly changes from this earthly world to the mystic and divine realms. This is a rich experience for us humans since we have a dual nature, one that houses two seemingly opposite forces—the spiritual and the physical, the soul and the body.

Not coincidentally there is a purpose behind our dual nature. ‘The wisdom of the appearance of the spirit in the body is this: the human spirit is a Divine Trust, and it must traverse all conditions; for

its passage and movement through the conditions of existence will be the means of its acquiring perfections. So, when a man travels and passes through different regions and numerous countries with system and method, it is certainly a means of his acquiring perfection; for he will see places, scenes, and countries, from which he will discover the conditions and states of other nations.' And 'Abdu'l-Bahá further explains: 'It is the same when the human spirit passes through the conditions of existence: it will become the possessor of each degree and station. Even in the condition of the body it will surely acquire perfections.' [2, p. 313]

Let's backtrack for a moment as part of the validation process. The relationship between the soul and the body is 'like that of light to a mirror. The light which appears in the mirror is not inside it. The radiance comes from a source outside. Similarly, the soul is not within the body. It has a special relationship to the body and together they form the human being. But this relationship lasts only for the duration of mortal life. When that ceases, each returns to its origin, the body to the world of dust and the soul to the spiritual worlds of God. Having emanated from the spiritual realms to become an individual being created in the image and likeness of God, and capable of acquiring divine qualities and heavenly attributes, the soul will, after its separation from the body, progress for all eternity.' [33, p. 72]

The wellspring of ethics is the Sun of Reality that dawns upon the horizon each Day, which means every thousand years or so. This sets in motion new thoughts and ideals. 'Minds are developed, hopes brighten, aspirations become spiritual, the virtues of the human world appear with freshened power of growth and the image and likeness of God become visible in man. It is the springtime of the inner world.' [2, p. 255]

Just like our bodies need nourishment to grow and develop so too does our soul. The Word of God is like food for the soul. *The Hidden Words* will nourish humanity for many generations to come.

There are two battles, two obstacles confronting us. Most do not know the source of ethics or if they have found a source they do not know the cyclical nature of the ethics of the divine economy. That is one obstacle.

Then there is the battle of educating ourselves. To do so we have to dethrone our ego, over and over again. Unquestionably it is within our powers to do so and it is our destiny. 'Man is the supreme Talisman. Lack of a proper education hath, however, deprived him of that which he doth inherently possess. Through a word proceeding out of the mouth of God he was called into being; by one word more he was guided to recognize the Source of his education; by yet another word his station and destiny were safeguarded. The Great Being saith: Regard man as a mine rich in gems of inestimable value. Education can, alone, cause it to reveal its treasures, and enable mankind to benefit therefrom.' [11, p. 259]

These realities, the virtues, are not merely words; neither are they merely lofty goals. They are realities that give us glimpses into our nobility as human beings. 'We will now mention unto thee Trustworthiness and the station thereof in the estimation of God, thy Lord, the Lord of the Mighty Throne. One day of days We repaired unto Our Green Island. Upon Our arrival, We beheld its streams flowing, and its trees luxuriant, and the sunlight playing in their midst. Turning Our face to the right, We beheld what the pen is powerless to describe; nor can it set forth that which the eye of the Lord of Mankind witnessed in that most sanctified, that most sublime, that blest, and most exalted Spot. Turning, then, to the left We gazed on one of the Beauties of the Most Sublime Paradise, standing on a pillar of light, and calling aloud saying: 'O inmates of earth and heaven! Behold ye My beauty, and My radiance, and My revelation, and My effulgence. By God, the True One! I am Trustworthiness and the revelation thereof, and the beauty thereof. I will recompense whosoever will cleave unto Me, and recognize My rank and station, and hold fast unto My hem.' And then concluding the divine conversation: 'I am the supreme instrument for the prosperity of the world, and the horizon of assurance unto all beings.' Thus have We sent down for thee that which will draw men nigh unto the Lord of creation.' [15, p. 136]

Measure for yourself the significance of trustworthiness. Consider its relevance in the divine economy and its significance to the unfolding of a divine civilization. Trustworthiness 'is the door of security for all that dwell on earth and a token of glory on the part of the All-Merciful.

He who partaketh thereof hath indeed partaken of the treasures of wealth and prosperity. Trustworthiness is the greatest portal leading unto the tranquillity and security of the people. In truth the stability of every affair hath depended and doth depend upon it. All the domains of power, of grandeur and of wealth are illumined by its light.’[14, p. 37]

### C. ETHICAL CONTENT

‘Human life is an unceasing sequence of single actions,’ says Mises, ‘But the single action is by no means isolated.’[26, p. 45] It is true that the point of human action is the most relevant and the most important. And so what are the relationships between ethics, the Word of God, and human action? The teachings of Bahá’u’lláh ‘are universal and **the standard for human action** (emphasis mine). They are not merely theoretical and intended to remain in books. They are the principles of action. Results follow action. Mere theory is fruitless.’[5, p. 155]

The object of our quest is to develop spiritual qualities and to grow in spiritual perception as a part of our sequence of actions; actions that are interconnected not isolated. What are these life-changing, life-fulfilling objects of our quest—what are the virtues? ‘The virtues and attributes pertaining unto God are all evident and manifest, and have been mentioned and described in all the heavenly Books. Among them are trustworthiness, truthfulness, purity of heart while communing with God, forbearance, resignation to whatever the Almighty hath decreed, contentment with the things His Will hath provided, patience, nay, thankfulness in the midst of tribulation, and complete reliance, in all circumstances, upon Him. These rank, according to the estimate of God, among the highest and most laudable of all acts. All other acts are, and will ever remain, secondary and subordinate unto them.’[11, p. 290]

*The Hidden Words* is truly an appropriate designation since it serves as a repository of the inherent and hidden potential of action. The use of the word ‘hidden’ also implies that the meanings are manifold rather than singular; dynamic rather than static; and personal.

As implied in divine economy theory and demonstrated up to this point in this book, there is no real way to separate ethics and economics. Since human beings are divine in nature there are elements of ethics in all human action.

What is about to happen in this book is the merging of the content of *The Hidden Words* with the model of the ethics of the divine economy. This will have valuable implications for the science of ethics and it will be a thrilling exercise of the divine economy theory.

#### D. INPUT INTO THE MODEL

This is a brand new scientific exploration and you are at the same point of discovery as I am. However, I do have to make some decisions—which are arbitrary—but which enable me to move forward. Others who come along later may choose other methods or they may use my model but decide to classify the individual ‘Hidden Words’ differently.

It should be apparent that the science of economics and the science of ethics are now at the threshold of new and exciting discoveries. This is what happens when a Manifestation of God appears. Their purpose is to heal the ills afflicting humankind. Practitioners of every field of endeavor begin to align themselves and ‘as they transform their various disciplines by bringing to bear upon them the light of the Divine Teachings, problem after problem now disrupting society will be answered.’[35, p. 369]

As an economist in the classical liberalism tradition, and as a practitioner in this context, there is no doubt that I am transforming the economics discipline. The divine economy theory is the fruit of that endeavor. First was the identification of the universal equilibrating force as the ‘divine economy.’ Second was the discovery that the source of all value in the economy is the manifestation of the names and attributes of God. And now I postulate that ethics and economics are inseparable.

To begin inputting the ‘Hidden Words’ into the model of the ethics of the divine economy I brought back the concept of ‘virtues planes’ that was a part of the construction of the Divine Microeconomy Model ©. Refer to Diagrams 2b through 2h (pp. 17–20) in *The HUMAN ESSENCE of Economics* if you need to examine more closely the concept of a virtues plane.

Keeping in mind my purpose, that is, to categorize the individual ‘Hidden Words’—I pondered. For each Hidden Word I asked myself questions about the type of action contained in the verse. What was the nature of the action? Was the action a means to an ends? Was it a constitutive means? Was there an economic element to the ethical guidance?

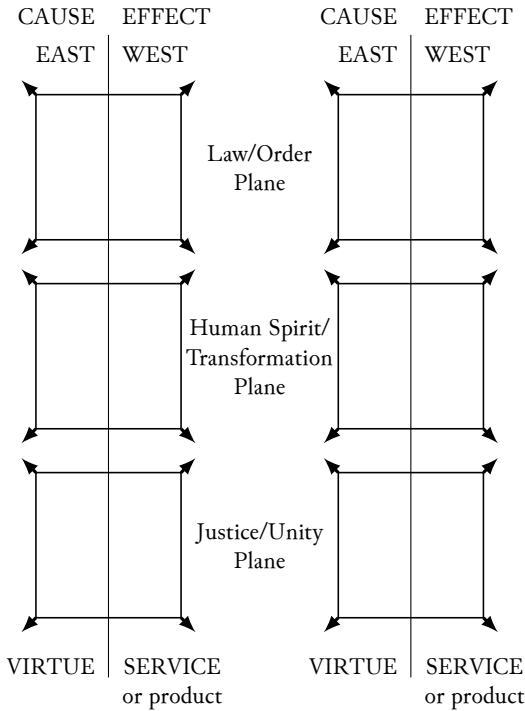


Diagram 5a: The Six Virtue Plane Perspectives

I then combined the virtues plane perspectives and these contemplations about the nature of the action to conclude with an assignment for each ‘Hidden Word,’ or verse. The assignment that I gave was arbitrary but it provided a good stating point for scientific exploration.

Since the virtues planes are a part of an economic model, the placement in the model of the ethical gems of *The Hidden Words* symbolizes the inseparability of economics and ethics. From my experience with trying to classify these ethical gems I found that most of them had an economic dimension, that is, an economic dimension as defined according to the divine economy theory.

As an example of the application of the divine economy theory, if I make praise of God my action and remembrance of God my companion then I see things differently than before. And if I do not impose strictly material limitations on my actions, recognizing that they can be ‘ideal,’ then praxeology—the study of purposeful action by spiritual beings—can advance in a new direction.

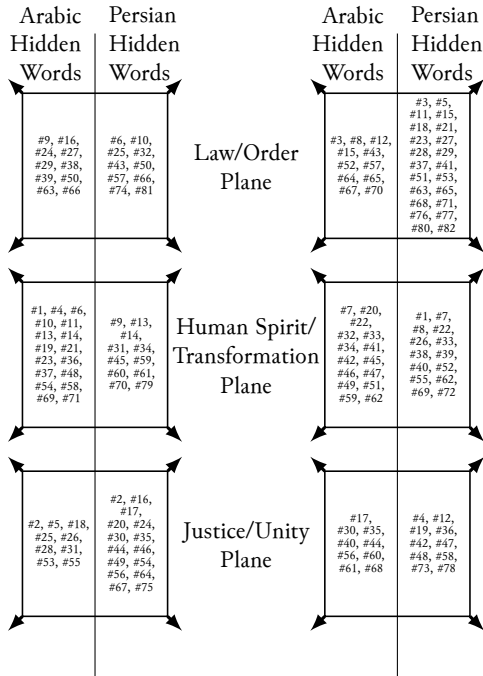


Diagram 5b: Assigned 'Hidden Words' In the Virtues Planes

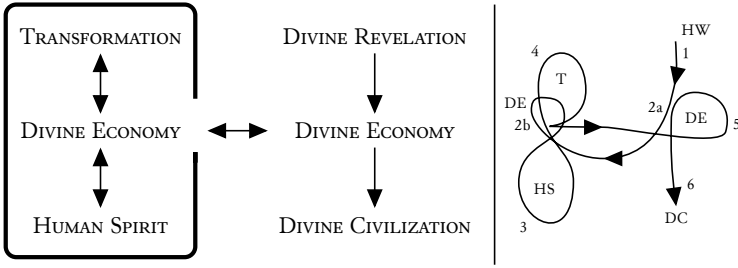


Diagram 5c: The Merging of the Hidden Words with the Model of the Ethics of the Divine Economy: One Possible ‘Hidden Word’ Pathway

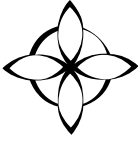
Let me describe for you one possible pathway of a ‘Hidden Word.’ Follow the flow if you will. (1) The ‘Hidden Word’—‘that which hath descended from the realm of glory’—enters the realm of action (2a) which is the divine economy. Since there is a seamlessness between the macro and micro level of the divine economy the ‘Hidden Word’ enters (2b) the realm of purposeful action by a spiritual being. The human spirit (3) imbibes a portion of its grace and begins to change and to fulfill its trust. The resulting transformation (4) is the acquisition of the gem of divine virtue which then re-enters the realm of action—the divine economy (5). This new and spiritually-charged information, which is more aligned with the Will of God, flows to all via the market process of the divine economy and (6) leads to an ever-advancing civilization, a divine civilization.

As you can see the new vista of economic science is glorious. Since this is the first glimmering of its potential we cannot even imagine what economic science will look like in the future.



*Selected Exercises*

1. Discuss how having free will is a very wonderful ‘imperfection’ that is part of the distinction of being human.
2. How is the battle of educating ourselves helpful in our battle to find the source of ethics?
3. Use the example given, that of trustworthiness, to expound upon a proof that virtues are not merely words.
4. Provide evidence that you understand what is going on in Diagram 5c.



## Chapter 6 Sailing the Oceans

### *Ethics and Economics in the “Hidden Words”*

#### PREAMBLE

Why are we always consciously and unconsciously aspiring towards such an elusive end? We all do it. Hand in hand we all venture into the uncharted waters of our being.

Why are we not fearful of union with the fathomless ocean? It is as if one aspect of the journey is the promise of union. Most certainly the promise of union or reunion with our own self through the discoveries of the journey is a significant part of our motivation.

Why are we not more thoughtful about the deep underlying essence of our search? It is like a fragrance which catches our attention but then we do not trace it back to its source. Why are our spiritual senses not in a receptive state, such that we sail the ocean but are unaware of its deep essence?

Why is realization itself a necessary first condition for realization? We cannot fully reach our potential, the object and quest of our journey, without some kind of realization. The greater our perception and the greater the awareness of our reality the more illuminating are the discoveries.

*The Hidden Words* of Bahá'u'lláh is like two adjoining seas—like the Aegean and Ionian Seas as a physical example—in the Ocean of His Revelation. In this ocean of ethics one sea is the Arabic Hidden Words and the other is the Persian Hidden Words.

The Arabic Hidden Words is the shorter of the two; seventy-one verses long. It is more simple, direct and ethical. With the exception of verses 66, 68, and 69 all of the other verses are directed to us as individuals. In the Arabic Hidden Words Bahá'u'lláh speaks to us as a loving teacher.

There are eighty-two verses in the Persian Hidden Words. Its content is 'personal, appealing, mystical and poetical.'<sup>[34, ii]</sup> Introductory designations for the Persian verses vary greatly and capture our attention, for example, 'O EMIGRANTS!' contrasted with 'O WEED THAT SPRINGETH OUT OF DUST!' There are thirty-three verses in the Persian section that give directions to groups. In the Persian Hidden Words Bahá'u'lláh speaks to us as a teaching lover.

Now, from each of the six virtues planes I will pull three of the arbitrarily assigned 'Hidden Words.' From each I then will draw the concepts of the divine economy theory.

#### A. HAND IN HAND

The meanings of *The Hidden Words*, like the currents and the waves and the swells of the ocean, are manifold. They are active in their meaning and dynamically relevant to those sailing upon them. Their vastness encompasses all of the issues being pondered.

Not coincidentally the ethical content reaches a point of ignition, the divine spark of action, and so there is also both praxeologic and economic content. As we know, in the ocean, both the water (symbolic of the 'material' elements) and the forces that move the water (symbolic of the 'ideal' elements) are real. Similarly, the ends and means gleaned from *The Hidden Words* have the potential to be both, 'material' or 'ideal.'

Grasping all of this, we come to the conclusion that there are concepts of the divine economy within *The Hidden Words*. Just as the ocean is defined by its inseparable elements, so too within the gem-like verses of *The Hidden Words*, ethics and economics (the ends and means) are inseparable.

To sharpen our perception we will look for certain things in *The Hidden Words*. Virtues in highly activated states can be viewed as means. Virtues in more latent states or consolidated into aspects of a divine civilization take on the nature of an ends.

The power and ever-changing nature of the ocean is undeniable. That is the same potential that the Word of God has, and the Word of God includes within its domain ethics and economics. Ends and means pervade the Teachings of the Manifestations of God.

That brings us to the consideration of our sailing vessel. Economically speaking, people desire things. That is why we embark on our trip. We need a vessel, and we need our vessel to stay together to reach our destination.

The oneness of the ethics given by the Supreme Ethicists from the beginning of time is part of the Covenant (God would never deprive us of His love and grace) that binds together all things. It is the strength of the Covenant that keeps us afloat even in times of storm.

Actually it is a deeper concept than that. 'Know this for a certainty that today, the penetrative power in the arteries of the world of humanity is the power of the Covenant. The body of the world will not be moved through any power except through the power of the Covenant. There is no other power like unto this. This Spirit of the Covenant is the real Center of love and is reflecting its rays to all parts of the globe, which are resuscitating and regenerating man and illuminating the path to the Divine Kingdom.' [3, p. 71]

Appropriately we can be thankful for the guidance since we are navigating a vast and fathomless ocean. In the *Hidden Words* it can be discerned that we have our bearings. We can advance, going forward with no reason for hesitation by anyone. It is with reason and guided by principle that we advance. The axioms in *The Hidden Words* are so broad and pervasive that they apply to all human life. Referring to axioms of a system of ethics Murray Rothbard wrote: 'Once articulated and set forth, they impel assent to their truth by a shock of recognition, once articulated, they become evident to the human mind.' [30, p. 19]

Notice there is no compulsion nor is there a need for compulsion. The journey is voluntary, mutually beneficial, and in harmony with the journey of others. All choices are made at the margin, at the threshold of change, at the threshold of transformation. Every acquisition becomes integrated as a property right/human right.

The exercise of will, the spark of alertness and the act of pursuit, brings about all wealth. It is when value and wealth are understood in ideal terms that the power of the Word of God can make the

material world a reflection of the divine reality, bringing about a divine civilization.

What is true wealth? Once we realize that everything has a subjective value we realize that we create our own reality. There is no intrinsic value other than that which is given subjectively!

So when we adopt the ethics and economics of the Manifestation of God, the Supreme Ethicist, a certain orientation of the actions of individuals then serves to create a societal element to the transformation. Identification of a social standard is one outcome. For example it becomes very clear that parasitism is loathsome. 'Economy is the foundation of human prosperity. The spendthrift is always in trouble. Prodigality on the part of any person is an unpardonable sin. We must never live on others like a parasitic plant. Every person must have a profession, whether it be literary or manual, and must live a clean, manly, honest life, an example of purity to be imitated by others. It is more kingly to be satisfied with a crust of stale bread than to enjoy a sumptuous dinner of many courses, the money for which comes out of the pockets of others. The mind of a contented person is always peaceful and his heart at rest. He is like a monarch ruling over the whole world. How happily such a man helps himself to his frugal meals! How joyfully he takes his walks, how peacefully he sleeps!' [1, p. 452]

Therefore, a proper education is one that helps us to mine the gems of inestimable value that are inherent in us. Through education these treasures are revealed and humankind benefits therefrom. Reflect on these fruits of education: 'Commerce is as a heaven, whose sun is trustworthiness and whose moon is truthfulness. The most precious of all things in the estimation of Him Who is the Sovereign Truth is trustworthiness: thus hath it been recorded in the sacred Scroll of God. Entreat ye the one true God to enable all mankind to attain to this most noble and lofty station.' [10, p. 335]

## B. UNION

The longing desire to be 'one' has several meanings; therefore, union has several meanings. Drawing nigh to the Creator is a type of oneness. The human aspiration to be a reflection of God, Who is the Self-Subsisting, is another.

These both are representations of union yet they may appear to be opposites. Can the tendency of joining together be reconciled with the characteristic of being self-subsistent? Reconciliation comes from the recognition of the dualism of human beings.

It is this capacity to know and love God—the ability to draw nigh and the ability to try to reflect His Attributes—‘that must needs be regarded as the generating impulse and the primary purpose underlying the whole of creation.’[11, p. 65] It is upon the reality of men and women that God ‘focused the radiance of all of His names and attributes, and made it a mirror of His own Self. Alone of all created things man hath been singled out for so great a favor, so enduring a bounty.’[11, p. 65]

Drawing from the ‘Hidden Words’—first using the ones which I have assigned to the Human Spirit Virtues Plane and the Transformation Virtues Plane—we will examine the economic and ethical content of three from each plane. The Human Spirit Plane conveys the potential of the human reality, one that is ‘created in His Image.’ Whereas the Transformation Plane involves changing, as that which is greater than oneself becomes known. In its purest form, since we are spiritual beings primarily, transformation is aligning oneself with the Word of God, which then reveals more fully to us our true human reality.

### *Re: Arabic Hidden Word #69 on Human Spirit Plane*

Here the action and the means stem from the same word ‘guard.’ The guarded treasury belongs to us as individuals. It is a property right/human right. The means of protecting it is by guarding it from those who do not respect property rights/human rights.

### *Re: Persian Hidden Word #7 on Transformation Plane*

The essence of human action is that it takes place at the margin. It is so close, only a step away, but that distance makes all the difference. Residing at that threshold is the promise of transformation—lying in potential—in both a material and spiritual sense.

What is it that has the regenerative power needed to arouse humanity from its latency? ‘When the Sun of Reality returns to quicken

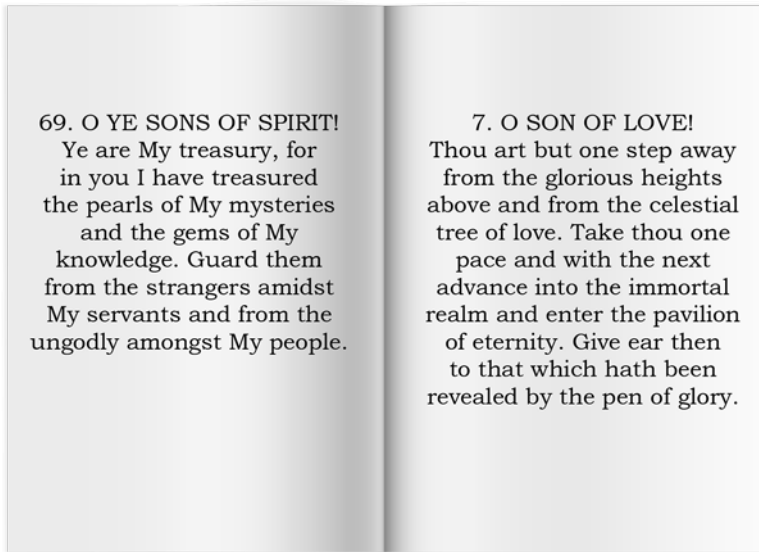


Diagram 6a: The First Set of ‘Hidden Words’ Examined in the Human Spirit/  
Transformation Virtues Plane

the world of mankind a divine bounty descends from the heaven of generosity. The realm of thoughts and ideals is set in motion and blessed with new life.’[2, p. 255]

Charged, human beings exhibit a heightened degree of active entrepreneurship leading to discoveries of ‘something from nothing’ granted from God’s generosity and bounty. By applying natural law to the human and to the other resources of the world, reality is molded to serve the purposes that are inspired by the Word of God.

But the circumstances in the world are not so rosy. ‘The vitality of men’s belief in God is dying out in every land; nothing short of His wholesome medicine can ever restore it. The corrosion of ungodliness is eating into the vitals of human society; what else but the Elixir of His potent Revelation can cleanse and revive it?’ Bahá’u’lláh continues, ‘The Force capable of such a transformation transcendeth the potency of the Elixir itself. The Word of God, alone, can claim the distinction of being endowed with the capacity required for so great and far-reaching a change.’[11, p. 199]

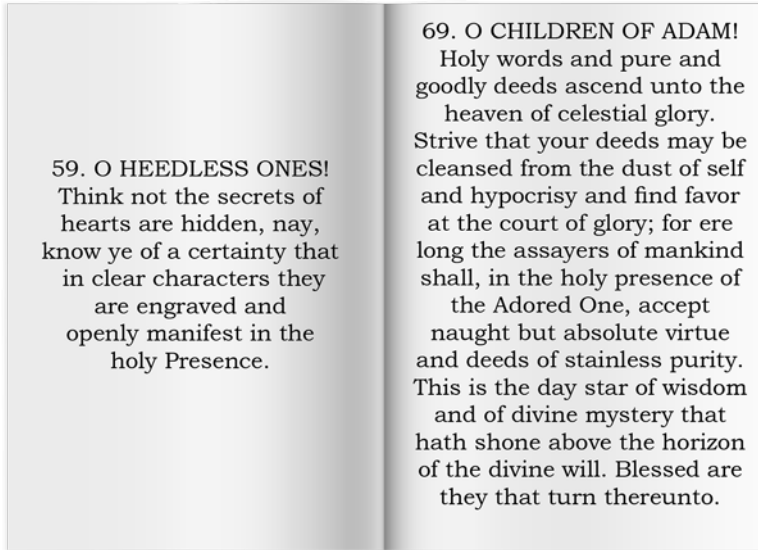


Diagram 6b: The Second Set of 'Hidden Words' Examined in the Human Spirit/Transformation Virtues Plane

So it is that human potential is thwarted by our lack of understanding about who we are and how we function. The challenge is to see ourselves, to see ourselves in others, and to know that the Word of God is our guide.

This is a good point to comment on the meanings that I attribute to these Hidden Words. The Hidden Words are infinitely greater than the single meaning that I identify. Sometimes the introductory designation (e.g., 'O Son of Love') functions as a lead into the rest of the theme whereas at other times it appears as a 'trumpet blast' and serves to heighten the alertness of the one pondering. Please be aware that the meanings are manifold and that I present only one possibility.

*Re: Persian Hidden Word #59 on Human Spirit Plane*

Actions ultimately reflect our thoughts; however others are also aware and alert to our actions. The exposed nature of our thoughts and actions leads to an improvement in the accuracy of the flow of knowledge in the economy. The divine economy is ever-advancing because those whose services are sincere and meritorious will be discovered and favored.

*Re: Persian Hidden Word #69 on Transformation Plane*

A subjective choice is not the same as a selfish one. Selfishness is an ego-driven characteristic whereas subjective valuation is simply a human reality. Deeds and actions made subjectively are true to one's self and therefore are cleansed from hypocrisy. As deeds are aligned with goodness and purity, those individuals who put your output to the test—your customers and peers—can assess the true worth of your deeds. The more stainless the deed the greater will be its worth.

The tendency is for humans to cooperate and associate so those thoughts and actions that support association are preferred. 'The advent of the prophets and the revelation of the Holy Books is intended to create love between souls and friendship between the inhabitants of the earth. Real love is impossible unless one turns his face towards God and be attracted to His Beauty.' [2, p. 363]

Association and cooperation among people that are very different from each other happens either directly, because of the love of God—or indirectly, because of the virtues and attributes of God manifested in the goods and services that they produce. Both bring about a union.

*Re: Persian Hidden Word #34 on Human Spirit Plane*

Here is one of many ways to view this. At some point in life an individual reaches maturity. Consider this in terms of the attainment of wealth, that is, as the attainment of capital that is in a state of potential. If capital is protected from the passion of consumption then all of the tender care and grace that led to this attainment of wealth will yield the fruit of capital (that is, goods for the future) thereby advancing civilization.

*Re: Persian Hidden Word #72 on Transformation Plane*

Each human being is unique and has something to offer. It is by the means of the division of labor that each person's special contributions become manifest. But it takes conscious action to become distinctive.

By this union with our true reality we become empowered to shed the things that cause us to succumb to our lower nature. In this unity of thought and action we transform our selves and our surroundings in a way that furthers the attainment of our potential.

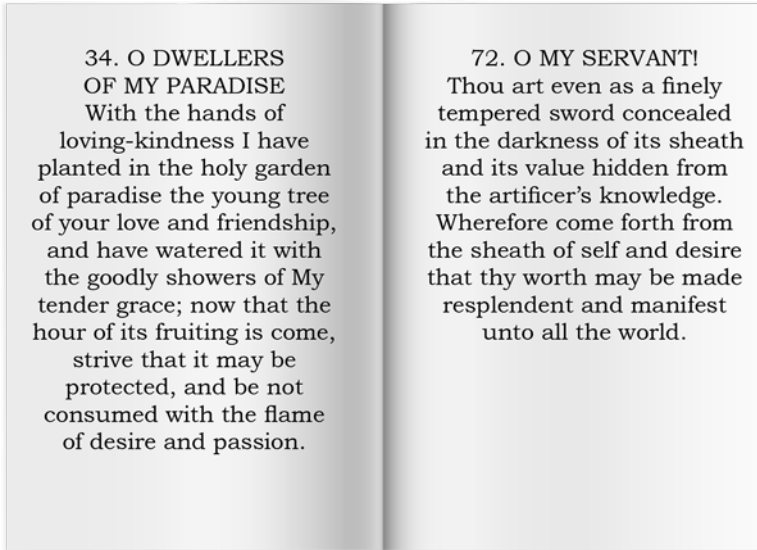


Diagram 6c: The Third Set of 'Hidden Words' Examined in the Human Spirit/  
Transformation Virtues Plane

### C. THE ESSENCE

In this section I repeat the method of examining three 'Hidden Words' this time choosing from among those that were assigned to the Law Plane and to the Order Plane, respectively.

To find out what it is—to figure out the essence of what it is—we will take a look at the very foundation of the virtues. Probing deeply to find the essence of the virtues is made possible because truthfulness has been identified as the master key. Truthfulness is the foundation and all the other virtues are built upon it.

The challenge for the human being is to accomplish truthfulness and still attain the glorious condition of being absolutely free. In the material world, with its constraints and limitations, truthfulness and only relative freedom is all that is realistically possible.

For instance, no two persons can independently be the owner of the same piece of land. The truthfulness set forth in a contractual society leads to a restraint on absolute freedom since physical resources are limited. Truthfully, the property rights of an individual are also the

human rights of that same individual. Ethically speaking, then, freedom in this material world is relative to human rights/property rights.

However, absolute freedom and truthfulness are compatible and attainable in the spiritual realm. The paradox of liberty can be understood once the laws in operation are understood. This is similar to the episode in economic history when economists overcame their puzzlement over the paradox of the value of diamonds versus bread—once they understood the economic law in operation, the law of supply (scarcity).

Our true essence is most perfectly understood by our Creator and the potential of our reality is most perfectly maximized by our Creator. So it is that absolute freedom is granted most perfectly within this idealization. Here the law in operation is the love of God. We lovingly know that our Creator knows perfectly what opens the doors and enables us to be true to our reality. ‘Say: True liberty consisteth in man’s submission unto My commandments, little as ye know it. Were men to observe that which We have sent down unto them from the Heaven of Revelation, they would, of a certainty, attain unto perfect liberty. Happy is the man that hath apprehended the Purpose of God in whatever He hath revealed from the Heaven of His Will, that pervadeth all created things. Say: The liberty that profiteth you is to be found nowhere except in complete servitude unto God, the Eternal Truth. Whoso hath tasted of its sweetness will refuse to barter it for all the dominion of earth and heaven.’ [11, p. 336]

### *Re: Arabic Hidden Word #24 on Law Plane*

In the first sentence after the contemplative greeting, property rights can easily be seen as functioning as a limit. A claim made that does not respect the limits of property rights cannot be truthful. So it is that truthfulness offers protection against dishonor.

### *Re: Persian Hidden Word #51 on Order Plane*

Immediately after the contemplative greeting a clear picture of the nature of an unhampered economy, driven by pure entrepreneurship, is given. Alertness, a simple and inherent human potential, is the only requirement and it can carry someone from poverty to wealth. In an

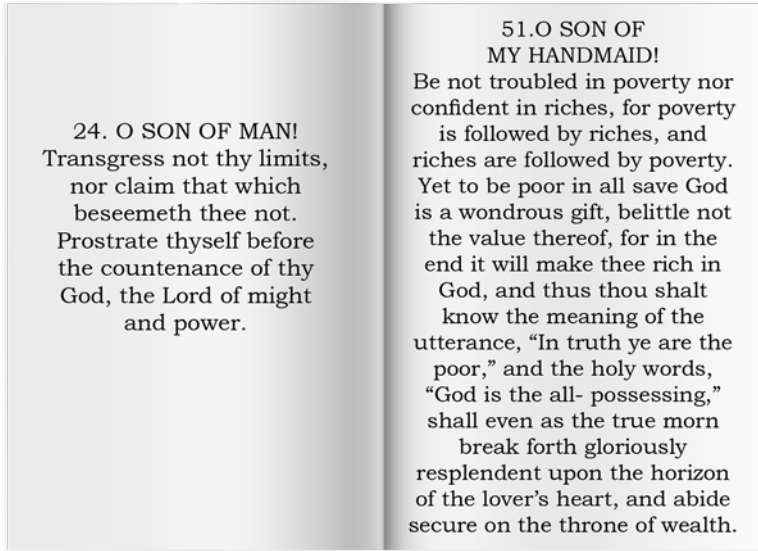


Diagram 6d: The First Set of 'Hidden Words' Examined in the Law/Order Virtues Plane

unhampered economy there are no artificial blockades and so wealth can also be lost.

It all reduces, economically and ethically, to the successful identification of relevant means and ends. Each human being, by simply improving individually, becomes a social being. And just like gold was universally selected as the medium of exchange (the standard) the virtues are universally identified as the standard for human development.

Again we return to the dualism of human beings. Let's say 'Gold is a standard of value.' The worldly side of us pays particular attention to the 'value' part of that statement. Our higher self sees the principle, the ideal aspect—the 'standard.' These are the complexities of our nature.

There is no real separation between the material world and the spiritual world. We live in the material world but it cannot contain us since our spiritual reality is the greater of the two and the lesser cannot contain the greater.

Now consider this: gold is a standard for both worlds! 'O SON OF MAN! Thou dost wish for gold and I desire thy freedom from it. Thou

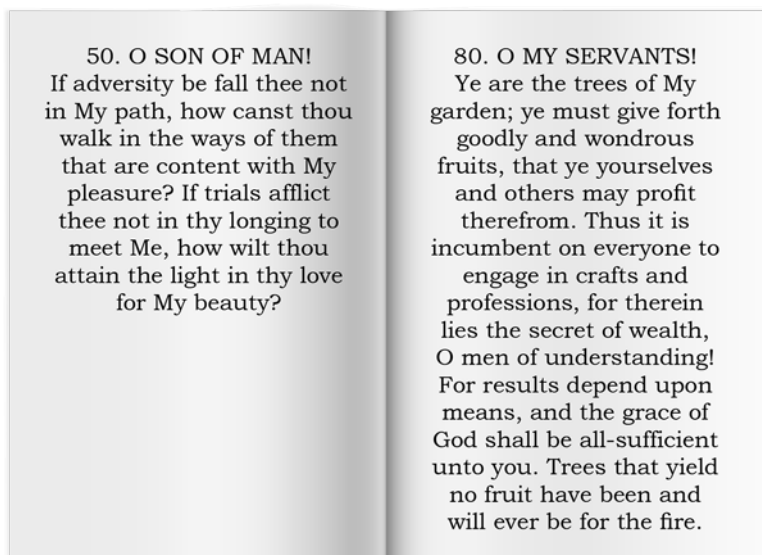


Diagram 6e: The Second Set of 'Hidden Words' Examined in the Law/Order Virtues Plane

thinkest thyself rich in its possession, and I recognize thy wealth in thy sanctity therefrom. By My life! This is My knowledge, and that is thy fancy; how can My way accord with thine?' [12, #56]

*Re: Arabic Hidden Word #50 on Law Plane*

Uncertainty and risk are unavoidable features in and of this world. The process of learning and of becoming a better servant of humankind may result in loss or it may result in profit, material or psychic. Either way, and in all ways, there is a proper orientation and a proper perspective.

*Re: Persian Hidden Word #80 on Order Plane*

Engaging in an occupation and producing something that is good confers the treasured secret of wealth. Profit for yourselves from your production is a God-given right and blessing.

The Word of God is not merely contemplative; it is the call to action. It is the means, the generator of aroused action from universal

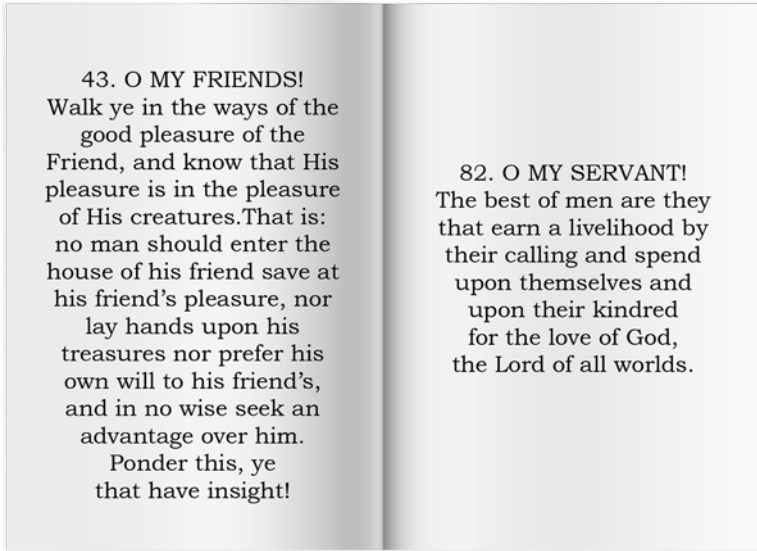


Diagram 6f: The Third Set of 'Hidden Words' Examined in the Law/Order Virtues Plane

principles. And it also is the repository of the ends which is another motivating power arousing action. Within the Word of God are all the 'instrumentalities that promote the peace and well-being and happiness, the knowledge, culture and industry, the dignity, value and station, of the entire human race.' [8, p. 4]

*Re: Persian Hidden Word #43 on Law Plane*

First, we can see the concept of consumer sovereignty—God's 'pleasure is in the pleasure of His creatures.' Those who are serving in that manner—providing people with the goods and services that they want—are doing God's Will. Secondly, property rights are to be respected.

*Re: Persian Hidden Word #82 on Order Plane*

What brings distinction to a man or a woman is that they are productive and that they use their earnings in good ways. With love of God in their hearts they should spend their earnings upon themselves and others, and that is praiseworthy.

Things will not always be perfect in our lives but we know that being productive will make ourselves and others better off. The accompanying transformation is all a part of the process.

#### D. REALIZATION

One last time I use the method of closely examining three ‘Hidden Words’ from among those that were assigned to the Unity Plane and to the Justice Plane, respectively. Let us ask ourselves a couple of questions. Why are the axioms or principles of praxeology universal? Why is it that virtues are universally held to be the standard?

The answer to both questions is: because of the oneness of humankind. ‘Were one to observe with an eye that discovereth the realities of all things, it would become clear that the greatest relationship that bindeth the world of being together lieth in the range of created things themselves, and that co-operation, mutual aid and reciprocity are essential characteristics in the unified body of the world of being, inasmuch as all created things are closely related together and each is influenced by the other or deriveth benefit therefrom, either directly or indirectly.’ [9, p. 71]

The realization discovered from delving deeply into ethics and economics as sister disciplines is that all humans have a common nature. That nature is best described as an inherent hidden potential of action. Another realization is that the ‘Hidden Words’ fully reveal that nature.

#### *Re: Persian Hidden Word #36 on Unity Plane*

There is a need for economic calculation before taking action, and so, quietly use wisdom and knowledge to assess things. If the intentions are good there will be a right time and place for action.

#### *Re: Persian Hidden Words #30 on Justice Plane*

We lie in potential, in a state of latency. This lack of action deprives us and it deprives humanity as a whole. We are creatures of action which is why the economy is our crucible.

It can be said that until human action is truly understood the whole of human civilization will be in a state of latency. Now is the

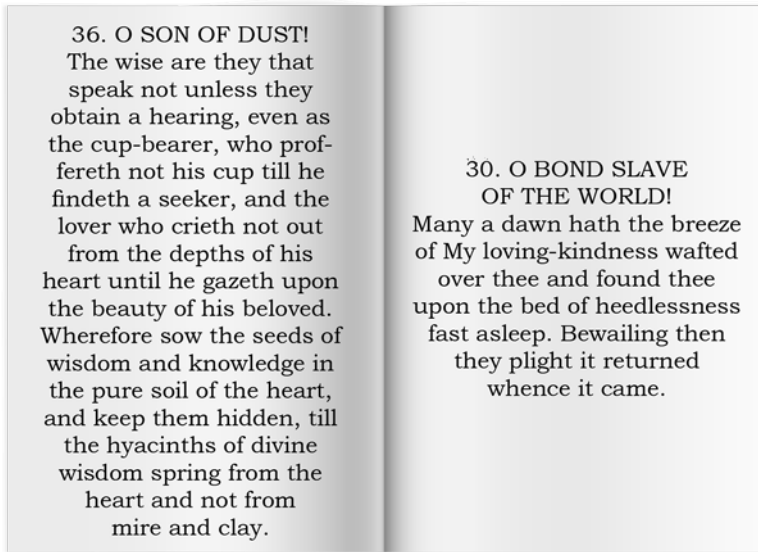


Diagram 6g: The First Set of 'Hidden Words' Examined in the Unity/Justice Virtues Plane

time of realization: 'Lofty is the station of man, were he to hold fast to righteousness and truth and to remain firm and steadfast in the Cause. In the eyes of the All-Merciful a true man appeareth even as a firmament; its sun and moon are his sight and hearing, and his shining and resplendent character its stars. His is the loftiest station, and his influence educateth the world of being.' [14, p. 219]

It appears that individuals will act and will act upon themselves so that they acquire a resplendent character and a lofty station, influencing the education of others. The economy is the crucible where all of this takes place.

The economy is the place of action, action being the metaphorical boiling point, and the principal seasoning that is added to this stew for nourishing humanity is ethics. 'O people of God! I admonish you to observe courtesy, for above all else it is the prince of virtues. Well is it with him who is illumined with the light of courtesy and is attired with the vesture of uprightness. Whoso is endued with courtesy hath indeed attained a sublime station.' [14, p. 88]

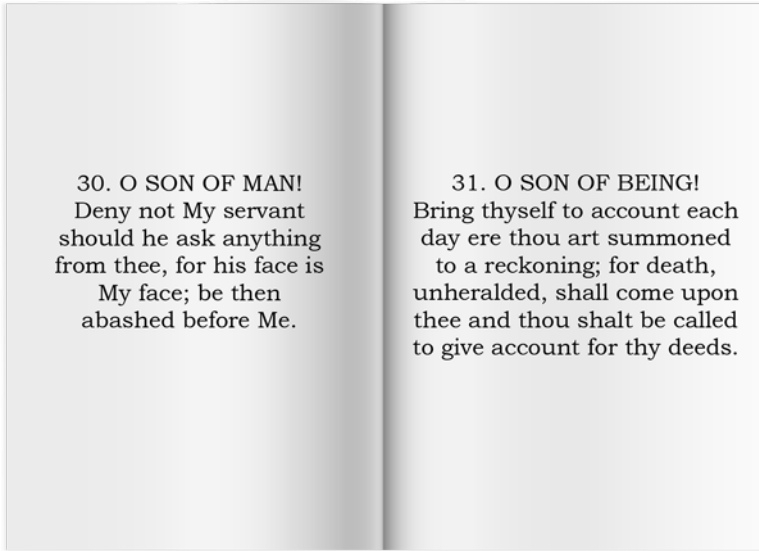


Diagram 6h: The Second Set of 'Hidden Words' Examined in the Unity/Justice Virtues Plane

*Re: Arabic Hidden Word #30 on Unity Plane*

One of the underlying principles of both entrepreneurship and consumer sovereignty is servitude. Mastering this attitude of servitude makes us better agents of the economy.

*Re: Arabic Hidden Word #31 on Justice Plane*

How do we improve if not by evaluating ourselves? Evaluation is the means of finding better ways to do things. Since our earthly lifetime is limited this 'Hidden Word' is a call to action.

Another way of understanding universal truths is to switch perspectives about what it means to be educated. Instead of merely accumulating information, what if true education at this point in history has more to do with peeling away veils that conceal the realities of the names and attributes of God in all things. The closer we get to being unveiled, the more evident becomes the sign of God, 'a sign which He, Himself, hath placed within these realities.' [11, p. 140]

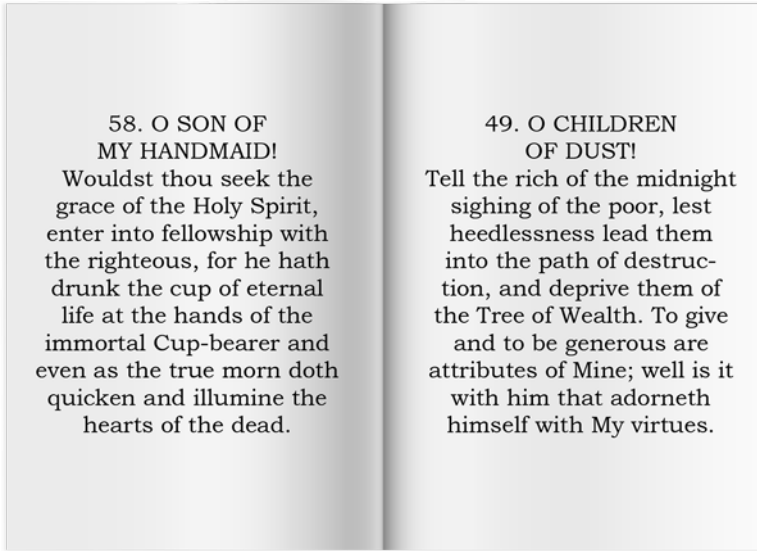


Diagram 6i: The Third Set of 'Hidden Words' Examined in the Unity/Justice Virtues Plane

An unbiased observer would readily admit that finding the sign of God in all things is what the Word of God has always done for those faithful to it. That is why it is referred to as the way and the life. Human beings are inherently attracted to their Creator and the Word of God peels the veils away. Science also peels the veils away.

*Re: Persian Hidden Word #58 on Unity Plane*

Those who acquire the everlasting virtues and know the worth of them, these are the righteous. These are the ones who will fulfill—by the virtues and by the power within the virtues—what they promise. As much as possible these righteous ones need to be a part of the means of accomplishing anything.

*Re: Persian Hidden Word #49 on Justice Plane*

The market process is where information flows. If there are people who are sighing and weeping from poverty then they have a strong

desire to remove that condition. This ‘Hidden Word’ seems to be calling out to the entrepreneur to pass along information—about this strong desire of the poor—to those who have capital. If these two are brought together the Tree of Wealth will overshadow them and everyone in between.

Never before has this type of examination been done. One reason is because the Model of the Ethics of the Divine Economy © is new and unique. A second reason why this type of examination has not been done before is because most ethicists and economists do not see ethics and economics as inseparable.

Not only are ethics and economics inseparable but they are intimately connected from the very first instance all the way to the glorious end. We know that meditative thought is the precursor of purposeful action. And we know, as was demonstrated by the Divine Microeconomy Model ©, that the value sought through action is subjective and virtues-based.

This basis of value—the ethics which has always originated from the fountainhead of the Word of God—takes a pathway not dissimilar to the one shown in Part One of Diagram 6j. But this part of the diagram is a snapshot of a single discovery by a single person. Now consider Part Two where there are multiple discoveries inspired by the vast Word of God. Then consider that this same type of experience is happening for the billions of people on the planet, with economic and ethical influences dynamically felt from their mutual interactions, ad infinitum!

As you can see this process of an ever-advancing civilization is very dynamic, and most importantly, potentially unimpeded. If there is protection and preservation from unauthorized interpretation and from interventionism then the process can proceed rapidly and gloriously.

I have only begun the theoretical work of examining the processes operating in the divine economy. The ocean extends beyond the horizon in all directions and my one sailing vessel appears as a speck. Navigators will be traversing this ocean for centuries to come.



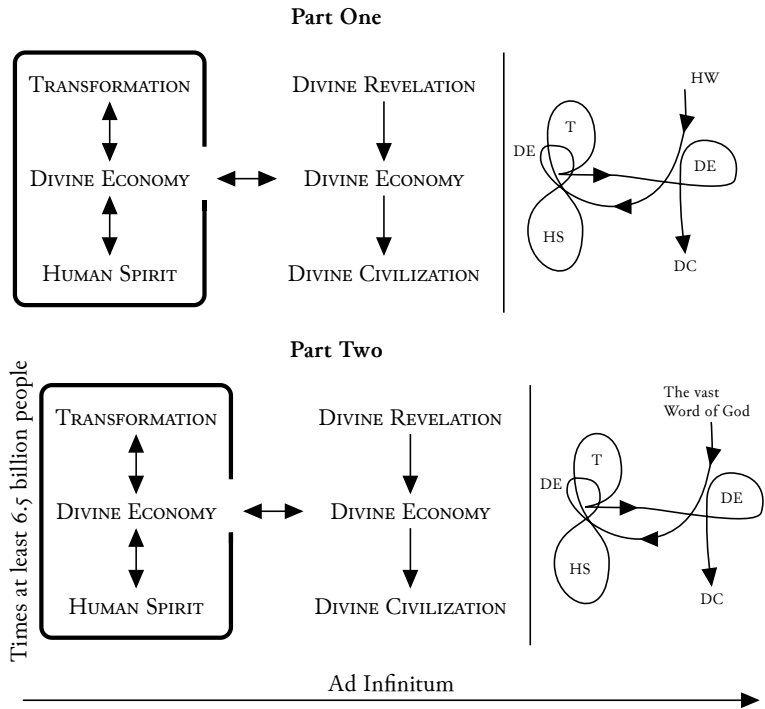
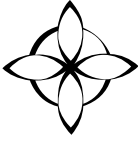


Diagram 6j: The Inseparability of Ethics and Economics in the Divine Economy Theory

*Selected Exercises*

1. Since values are subjective and wealth is both material and ideal why do you think materialism will fade away in an ethical civilization?
2. Comment on the idea that freedom in this world is relative to human rights/property rights.
3. What makes gold the standard in both the physical world and in the spiritual world?
4. Describe how the economy functions as the crucible for human advancement and the advancement of civilization.
5. Discuss the inseparability of ethics and economics.
6. Using Diagram 6j as your canvas, paint a portrait using words to describe the following three elements: 1) a single dispensation, 2) the ethic that emerges from a single Hidden Word, 3) the dynamism of the vast Word of God stirring the hearts of all humanity and the ethics that emerges.



## Chapter 7 Preventing Mutiny

### *The Issues of Intervention and Interpretation*

#### PREAMBLE

We are ourselves a treasury: a treasury which continues to grow with each and every discovery. What is unique about us is held by us, as a repository of knowledge and wisdom and virtue. It is a trust, and yet, that trust has some vulnerability.

If somehow there are whisperings or scheming by those with unseemly motives, the outcome could end up as a mutiny. And so we must be cautious. The appearance and interference of those who are corrupt and mutinous has done much harm throughout history, as evidenced by ships sunken and treasures plundered.

Other disruptions, lesser in magnitude but perhaps more pervasive, are the hindrances that elevate suspicion and superstition, prejudice and ignorance. Fear replaces faith, tradition trumps search, and if these hindrances are allowed to fester the journey will come to a halt.

Thankfully we are the captains of our own ships so we control our destiny. If we seek the truth and find the standard of guidance and adhere to it, nothing will divert our ship, and the purpose of our mission will be preserved. Then will the journey and its fruits crown our heads.

#### A. REPOSITORY

The ocean is the means of transport and it is the source of wealth. Yet it has no need for the traveler. The traveler can exist or not exist and the

difference matters not to the ocean. Notwithstanding, it is always there as a source of plenty to the traveler.

‘The one true God, exalted be His glory, hath wished nothing for Himself. The allegiance of mankind profiteth Him not, neither doth its perversity harm Him. The Bird of the Realm of Utterance voiceth continually this call: “All things have I willed for thee, and thee, too, for thine own sake.” If the learned and worldly-wise men of this age were to allow mankind to inhale the fragrance of fellowship and love, every understanding heart would apprehend the meaning of true liberty, and discover the secret of undisturbed peace and absolute composure.’[11, p. 260]

Where is this repository, this metaphysical ocean? Where is this reality? As strange as it may seem, especially to the materialist, the reality of a man (woman) is his thought not his or her material body. Everything brought forward into this world by human action originated in the ‘invisible’ world of thought. In humans the thought force is a partner with the animal force.

It is in a state of meditation that man abstracts himself, withdrawing himself from everything extraneous. It is a condition of subjective reflection and it has the potential to unlock the doors of mysteries.

That is the potential. But since humans have a dual nature some thoughts are vain and idle. ‘If a man’s thought is constantly aspiring towards heavenly subjects then does he become saintly.’[4, p. 17] If thoughts are strictly worldly the outcome is materialism and the result is a human nature little better than that of an animal.

Look at human history and see the progress. Even though human progress is relative—never really achieving its full potential—the advancement of humans as individuals, as producers, and as a progressive series of structures of human civilization, is remarkable. Human thought expressed as action is the reason for the progress.

Laws of human action, discovered over the years by meditation specifically upon the methodological dualism of humans, serve as a repository of knowledge. As an example, the natural rate of interest is a measure of mortal man’s inherent impatience, the more mortal one feels the higher the natural rate of interest.

Division of labor is real and an outcome of the uniqueness of each human being and the geographical distribution of resources. It is also

what allows you and me to become more productive which actually makes it possible for our labors to more greatly benefit others. Consequently it is evident that all of us depend on each other. Our human reality is so perfectly designed that what is good for us individually is good for our fellow human beings.

Not only does meditation/contemplation inform us about affairs of which we knew nothing but it raises our consciousness. Meditation brings from the invisible realm ideas that inspire the sciences and the arts and inventions and the acquisition of virtues. Meditation gives us glimpses of the Kingdom of God.

These glimpses are the reasons for the progress of human civilization. By this means material and social problems are resolved. This is also the foundation for individual development. And so it is, the character and the conduct and the manners of men and women will continually be perfected, thereby advancing civilization.

This is all fine and dandy but who is to say that my thoughts are vain and idle and worldly while your thoughts are heavenly? What is the standard?

The divine Manifestations have been iconoclastic in Their teachings, uprooting error, destroying false religious beliefs and summoning mankind anew to the fundamental oneness of God. All of Them have, likewise, proclaimed the oneness of the world of humanity. The essential teaching of Moses was the law of Sinai, the Ten Commandments. Christ renewed and again revealed the commands of the one God and precepts of human action. In Muḥammad, although the circle was wider, the intention of His teaching was likewise to uplift and unify humanity in the knowledge of the one God. In the Báb the circle was again very much enlarged, but the essential teaching was the same. The Books of Bahá'u'lláh number more than one hundred. Each one is an evident proof sufficient for mankind; each one from foundation to apex proclaims the essential unity of God and humanity, the love of God, the abolition of war and the divine standard of peace. Each one also inculcates divine morality, the manifestation of lordly graces—in every word a book of meanings. For the Word of God is collective wisdom, absolute knowledge and eternal truth.[6, p. 154]

How can there be a measure of and a protection of the veracity of any of the thoughts that we draw from the invisible plane? This

is very important. Without a way to preserve the repository of true understanding from corruption all of the potential wonders of the human creation are jeopardized. But there is and always has been a way to protect us from the promptings of the ego and that is the Covenant of God.

The power of the Covenant of God is the axis around which revolves the oneness of the world of humanity. Nothing else can bind us together and nothing else can fully release human potential, in all of its diversity, and at the same time guarantee unity and justice.

Our understanding of the Covenant of God at this point in the history of humankind is one of the reasons why we are entering a new cycle. The ocean is no longer viewed as different seas. The same water fills them all.

## B. CORRUPTION

We are about to examine what many regard as very precious (that is, both religion and science) and even off limits to critical inspection. Religion has always been important in human affairs but every fair-minded person has seen that, not always, has it lived up to its name.

The starting point is, again, our dual nature. We have free will which means that we have the freedom to choose our actions and the course of our lives. We have limitations since we are not omnipotent, nor omnipresent; nor are we omniscient, and so we make mistakes.

Errors caused by our lower nature, our ego, corrupt the process of exercising our free will. It can be very subtle and may even have the appearance of being well intentioned.

The science of economics can serve as a test: a means for determining whether corruptions have entered into religion via interpretation. Murray Rothbard made the following observation: 'Economic matters were of course scarcely central to either the Old or New Testament, and scattered economic pronouncements are contradictory or subject to ambivalent interpretation.' [30, p. 32] In other words, deviation from economic truths can help us identify examples of 'ambivalent interpretation.'

If interpretation of Scripture goes contrary to economic science it is not an error in the religion, it is an error in the interpretation of the

religion. Those who claim the right to interpret but who do not have the authority to interpret are ego-driven, by definition.

For centuries the charging of interest on a loan was condemned. Even today there are still some who adhere to interpretations that condemn usury. To human beings a present good is more valuable than a good in the future and so unless a premium is added the repaid loan is an unfair price, an injustice. Institutionalizing this injustice by religious doctrine deprived humanity of a significant portion of its promised prosperity.

To begin our analysis we will start by reintroducing the Model of the Ethics of the Divine Economy©:

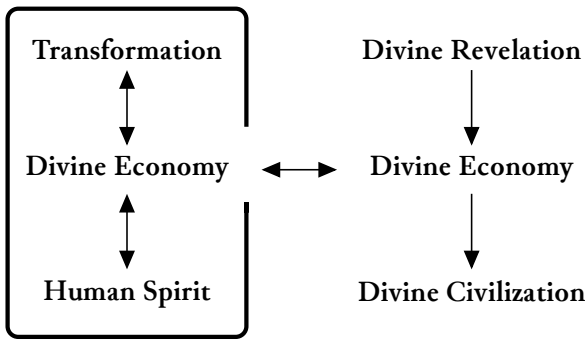


Diagram 7a: Model of the Ethics of the Divine Economy

In the Model of the Ethics of the Divine Economy© an unauthorized and erroneous interpretation blocks the flow of the revelation from God from reaching humankind as shown in Diagram 7b. It cannot annihilate the divine economy since the divine economy is a divine reality, a divine identity, and a divine institution. It can, however, keep the divine economy from functioning properly. Notice that its boldness is diminished from Diagram 7a to Diagram 7b.

Diagram 7c shows the cascading effect resulting from misinterpretations. Notice the smaller and less bold appearance of the divine economy and its building blocks, that is, human spirit and transformation. Notice the atrophying of the divine civilization compared to Diagram 7a.

If the divine economy does not function properly the other processes of self-realization and transformation are impeded as well. This

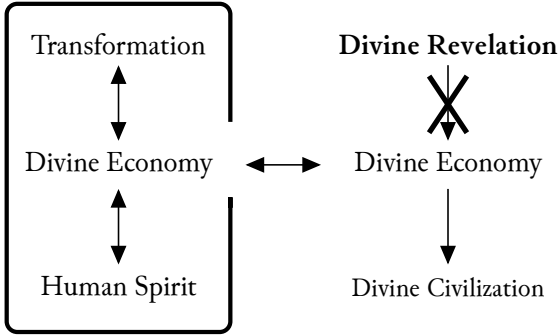


Diagram 7b: Effect of an Unauthorized and Erroneous Interpretation, Shown in the Model of the Ethics of the Divine Economy

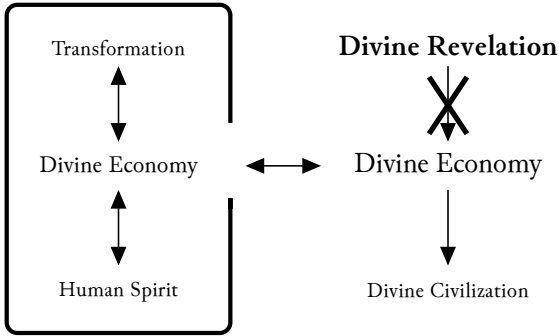


Diagram 7c: Cascading Effect of Misinterpretation, for example, the Period was Known as the Dark Ages as a Result of Misinterpretations of the Bible Regarding Commerce and Usury

impediment further weakens the potential of the divine economy. The outcome is a weaker appearance or a greatly diminished appearance of the divine civilization that was to be the fruit of that dispensation, of that specific revelation from God.

Since theology is a deductive system, if the axioms are incorrectly defined as a result of ego-driven misinterpretation then the consequence is a religion that appears hypocritical. Then what happens is that those who exercise human reason reject the religion even though it would have been very enlightening and pleasing to them had it not been altered. In other words, misinterpretations destroy people's faith.

In many religious traditions the destroyer of the faith in God is called Satan. It is the ego-driven, unauthorized interpretations of the revelation of God that ultimately has done this—destroyed the Faith of God—throughout religious history.

Now it would be naïve to think that science is above such corruption. The instant or the nanosecond that scientific results need to be interpreted the door is open and an ego-driven interpreter may enter. It is the dual nature, the free will that is always in operation, which either subdues the ego or is driven by it.

For example, within economic science there is a branch known as hermeneutics which emphasizes interpretation. Since there will never be a way to establish within hermeneutics an authority to interpret, it is a branch that plays with words for their own sake. It shelters itself within the science of economics but it has no scientific validity.

Continuing with our examination of economics, can contemporary economics withstand critical examination, can it stand up to a test? We are now going to apply the verities of religion, the virtues, to current economic practices. Is the practice of contemporary economics ego-driven?

There are only two pathways towards acquiring property and wealth: production, which is the economic means; and coercive expropriation, which is the political means.

In terms of ethics, the freedom of individual action does not violate the condition or terms of social freedom in a contractual society as long as there are well defined property rights. Property rights serve as the foundation of a liberty and justice criterion. Private production meets the conditions of this criterion. Coercive expropriation, however, is

either predatory or parasitic which means that it is not ethical according to this criterion.

According to the ethics of the divine economy all of nature is subject to the transformative human powers but no power is ever to be wielded over another person. Diagram 7d demonstrates what happens when the divine economy is corrupted by ego-driven interventionists. Intervention blocks the flow of information.

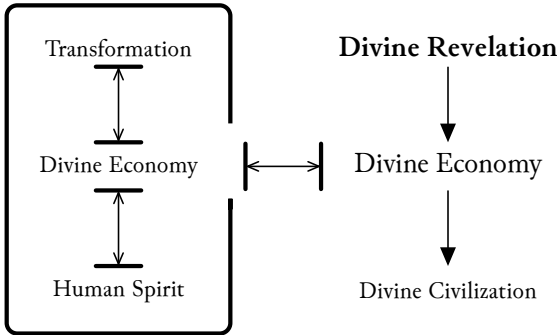


Diagram 7d: Effect of Interventionism Shown in the Model of the Ethics of the Divine Economy

Interventionism, as it is defined in the divine economy theory, is any human action that disrupts the inherent processes of purposeful action and transformation, or the processes of law (property rights) and order (market). Since these encompass all of the processes in the economy—thereby making acts of intervention distinct, if not obvious—what can explain the fact that interventionism has been able to gain a foothold?

The answer is twofold—the dominance 1) of atheism and 2) of empirical methodology in economics. Atheism is the opposite of trust in God. Under atheism in the economic sciences the fallback position becomes reliance on human ingenuity, in other words, interventionism.

The empirical methodology when applied to economics treats the world like an experiment to be conducted. Hence someone has to conduct the experiment—in enters the interventionist. Combined, they—atheism and empiricism—become a tool for social engineering by ego-driven interventionists.

Whether we regard atheism and empiricism as misinterpretations or as fallacies it does not matter. They fail the ethics test since they violate property rights and therefore human rights. They are the outcome of our lower nature since they are ego-driven. They corrupt the process of an ever-advancing civilization.

All economic intervention into the divine economy is ego-driven and since it is a result of economic ignorance it becomes chronic and therefore cumulative and even exponential to some extent. Thus one intervention leads to an endless piling on of more and more ridiculous intervention to try to solve the problems created by the first and subsequent interventions.

Similar to the regression theorem of money postulated by Ludwig von Mises, what we have here is the regression theorem of intervention. The regression theorem of intervention tracks the distortions back to the origin of the deviation from the ethical solution that would naturally come about in a divine economy—all the way back to the first act of ego-driven interventionism.

There was no moral authority for the first act of intervention, nor for any of the other acts of intervention that followed. The regression theorem of intervention shows the perniciousness of ego-driven interventionism from the beginning onward.

### C. HINDRANCES

Individuals may not be able to reach their potential for many reasons but in terms of ethics there are two major hindrances. Anything that prevents the independent investigation of truth is one, and the other is one of its variants—the separation of science and religion.

It is true that we all have free will. It is also true that we are seekers—seekers after knowledge, happiness, truth, and all of the other irresistible attributes of God. In essence we seek what it is that we are, and verily, we are ‘created in His Image.’ This nature of seeking drives forward the human spirit, and it drives forward the transformation, and it drives forward the divine economy.

When science and/or religion have been corrupted by misinterpretation it opposes faith, or logic, respectively. People are then affected by hindrances either directly or indirectly. Consider this statement by

Murray Rothbard: 'If a man is not free to choose, if he is compelled by force to do the moral thing, then, on the contrary, he is being deprived of the opportunity of being moral.' [29, p. 209]

If we look at the model of the ethics of the divine economy and imagine those things, anything, that would put a box around the human spirit (e.g., taking away free choices); those hindrances would then interfere with the dynamic potentials of the transformation element and the other divine economy elements as shown in Diagram 7e.

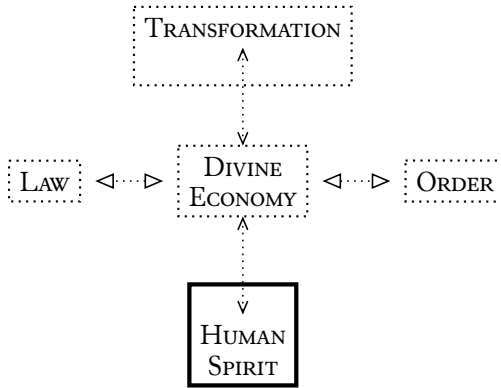


Diagram 7e: Hindrances of the Human Spirit Shown in the Model of the Ethics of the Divine Economy

Continuing to examine hindrances, notice that there is an absence of the State in all of the divine economy models. Only by superimposing a 'State' does it appear in the model and that reveals its true character. It has to be imposed, it is an imposition. It is a hindrance and a perversion of the divine economy.

Since people inherently cooperate there is no need for the State, necessarily. It is possible that an institution like the State (a coercive non-market-structured solution) may be chosen experimentally and voluntarily by a society as a specific means to attain a certain ends but never will it be given broad powers to be coercive. Only if it is truly a competitive means will it function well enough to exist naturally in the divine economy.

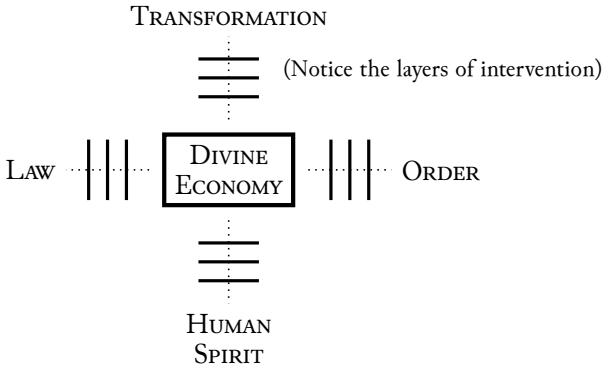


Diagram 7f: Hindrances by the State in the Model of the Ethics of the Divine Economy

Diagram 7f shows the most basic representation of the hindrances of the State in a model of the ethics of the divine economy. The burdening of the divine economy by the imposition of layer after layer of intervention by the State stifles the flow of information and hinders prosperity and liberty.

Diagram 7g is the complete model of the ethics of the divine economy in an uncorrupted and unhindered condition. Use this 'blank slate' to see how you would alter the model if a religion that is corrupted by misinterpretation combines its forces with a government that has already imposed itself on the economy. See for yourself how the model works!

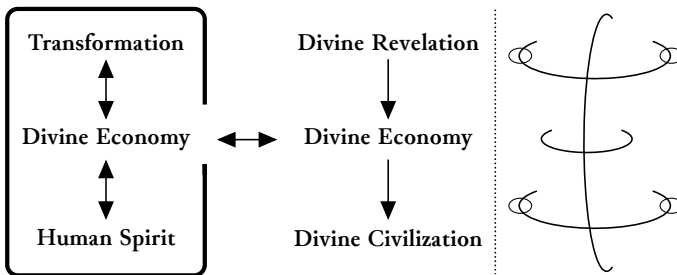


Diagram 7g: A Blank of the Complete Model of the Ethics of the Divine Economy For Your Use!

Now what do you expect would be the response of that conglomerate of misinterpretation and intervention to the appearance of a new Revelation? You might be tempted, after such an exercise, to conclude that religion and the State need to be kept separate.

But let's not lose track of two significant aspects of the model of the ethics of the divine economy. First, the State has no economic role and should not even appear in the model. If it does appear in the model—shown simply because the model needs to represent what the actual world looks like—then there is a problem. Likewise there is a problem if religion that is corrupted by misinterpretation appears in the model (again because the model simply needs to represent 'actual real world conditions.'). And second, each time a Manifestation of God appears these are the degenerated real conditions extant in human society. Not coincidentally, reorienting human minds and hearts is Their Mission.

Now back to the next hindrance: the separation of religion and science. The fact is that religion and science are so intertwined, integrated, intermingled, and intimate that all realism fades into oblivion when humans pretend in this manner, that is, pretend that religion and science are separate.

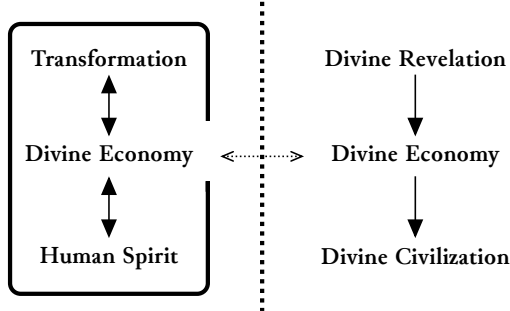
For example, there is only one person who knows you best and that is yourself. 'Know thyself' is the commandment of religion and so subjectivism is, necessarily, the appropriate methodology of the human sciences.

Despite the adoption of the appropriate methodology, that alone does not automatically preserve the scientific potential of subjectivism. Humans manifest and are attracted to the attributes of God—which ends up being the origin of all value. To deny this as the ethical basis of the subjective valuations causes the appearance of two symptoms of the hindrance ailment.

The two symptoms are atheism and moral relativism. I classify them as the symptoms of the ailment rather than as the cause. Even though most people learn atheism and moral relativism, they are first taught to separate religion and science—which is the cause of the hindrance ailment.

Look at Diagram 7h to see how the separation of religion and science is represented in the Model of the Ethics of the Divine Economy©. In the first part (Part I), the two 'worlds' of science and religion

Part One



Part Two

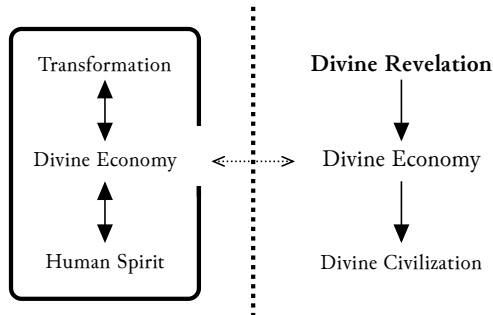


Diagram 7h: The Model of the Ethics of the Divine Economy Showing One Possible Description of the State of Affairs in 2005

are dissected. Notice the vertical perforated line representing the separation of science and religion and the diminished flow of information through that blockage. In the second part (Part II), the graphic shows that over time the signs of the divine economy become less and less perceptible.

Combine that with the hindrance of ‘ignorant education’ (an oxymoron) and then—voilà!—we arrive at the state of affairs like those that existed in 2005!

Education is considered ‘ignorant’ as long as it promulgates and propagates partial truths and inappropriate methodologies. Examples abound of such promulgations: religious prejudices, economic fallacies, portrayal of a disharmony between science and religion, not understanding the difference between a subjective decision and a selfish one, and applying empirical methods to the human sciences; to name a few.

Why 2005? The divine economy theory entered into the literature and began to emerge as a viable economic theory in 2005. Starting in 2005 the divine economy theory began to facilitate the reversal of separating science and religion (separating science and religion is what I refer to as ‘ignorant education’) and it launched the unequivocal proof that there is no authorization for intervention—that there is no moral authority for intervention. The year 2005, therefore, marks a transition point and the beginning of a reversal of trends.

There are other hindrances which are not malignant. Since humans are imperfect and can always refine themselves, the ethics of the divine economy and the divine economy itself are always in a relative state.

These imperfections are the hindrances inherent in the divine economy; however, the fact that the economy is not perfect does not mean it is not divine. Its potential is divine because human beings are divine. The fact that you and I have flaws does not mean that we were not ‘created in His Image.’ We, like the economy, are both divine and imperfect.

#### D. PRESERVATION

The good news is that there is a protection and preservation for both the economy and for religion. I say ‘news’ because the dawning of this potential and the knowledge of this potential is just beginning to be realized.

An unhampered market process is the most perfect and most efficient means of conveying all of the information of purposeful human action. The conveyance of information in an unhampered economy is not perfect in an absolute sense but it is as perfect as it can be in a relative sense.

Similarly the content of the information is not perfect in an absolute sense. Ethically, humans will always have the potential of becoming more refined. At any particular point in time human values are what they are—and then it is certain that the most perfect way of conveying those values and that information is via an unhampered economic system.

The divine economy is the only uncorrupted economic system. It releases the full potential of every human being and it provides the best possible environment for ethical development.

The divine economy is based on sound economic theory and sound ethical theory. Its economic proofs stem from the subjectivist methodology of classical liberalism. The scientific proofs of the ethical theory underlying the divine economy comes from the Divine Microeconomy Model © whereas the ethical foundation of the divine economy comes from the Manifestations of God.

With a divine economy in operation an act of economic intervention will be instantly detected which is what makes the divine economy so effective as a protection against those who are ego-driven. Those who suggest intervention simply misinterpret the economic ‘data’ and have an ego bold enough to assert—by implication—that they are more just, more beneficent, more merciful and more all-knowing than God. Holding fast to the divine economy is a preservation against these short-sighted, self-serving individuals.

Let’s see how the divine economy theory resolves complex issues such as the paradox of liberty. All that is needed is one constraint to liberty to establish complete liberty! Property rights (which are human rights) that are well defined and protected serve as the foundation. With that foundation in place all other affairs can happen freely and the outcome is liberty. Undeniably property rights constitute the foundation of a free market economy.

In religion the protector and preserver is the Covenant. Before we can go into depth about the Covenant it is essential to give our

attention to the Word of God. The Word of God is a body of work—the utterances of the Manifestations of God. It is a creative power for the minds and hearts of humans. It represents collective wisdom but also absolute knowledge and eternal truth. That does not mean that there is not a relativity to the Word of God. It still pertains to a time and place, a dispensation. The Word of God has the power to be both relative and absolute.

The next challenging concept is the command: ‘Weigh not the Book of God.’[15, p. 128] For example, to look at a Holy Book from long ago and to critically assess it in terms of the knowledge of today, without finding the divine precepts, is unfaithful.

Likewise, to use contemporary standards to pick and choose which divine exhortations you want to follow misses the point of religion—complete transformation! Logic and reason are for testing the validity of the Revelation, not for dissecting it.

How can we relate to this concept—that the Word of God is eternal truth—when there has never existed in the history of humankind a Covenant that was not violated? There is now a new light shed on this question. Thankfully the Word of God itself powerfully addresses this question. ‘The Hand of Omnipotence hath established His Revelation upon an enduring foundation. Storms of human strife are powerless to undermine its basis, nor will men’s fanciful theories succeed in damaging its structure.’[9, p. 123] The unassailable and enduring foundation is the Covenant.

Before going on further about the Covenant we have to see things in the proper light: Who are the Prophets, the Manifestations of God? ‘The source of all learning is the knowledge of God, exalted be His Glory, and this cannot be attained save through the knowledge of His Divine Manifestation.’[14, p. 156] And part of what They bring are laws.

Again we will look at the paradox of liberty. Just like true liberty is possible only after property rights are protected, once the laws of the Manifestations of God are adopted the true and highest potential for individuals and for society can be attained.

Now returning to the topic of the Covenant; consider its connectedness with the oneness of the world of humanity. The Covenant connects all of us in an analogous way to the way things revolve around an axis. God’s promise that we are all ‘created in His Image’ and that

He will guide us is a point of unity the reality of which comes from the power of the Covenant. It binds us together.

It is not something external. 'Know this for a certainty that today, the penetrative power in the arteries of the world of humanity is the power of the Covenant. The body of the world will not be moved through any power except through the power of the Covenant. There is no other power like unto this. This Spirit of the Covenant is the real Center of love and is reflecting its rays to all parts of the globe, which are resuscitating and regenerating man and illuminating the path to the Divine Kingdom.' [3, p. 71]

We know there is the promise but what we are most keenly hoping for is the fulfillment of the promise. Each cycle partially fulfills the promise. 'God leaves not His children comfortless, but, when the darkness of winter overshadows them, then again He sends His Messengers, the Prophets, with a renewal of the blessed spring. The Sun of Truth appears again on the horizon of the world shining into the eyes of those who sleep, awaking them to behold the glory of a new dawn. Then again will the tree of humanity blossom and bring forth the fruit of righteousness for the healing of the nations. Because man has stopped his ears to the Voice of Truth and shut his eyes to the Sacred Light, neglecting the Law of God, for this reason has the darkness of war and tumult, unrest and misery, desolated the earth. I pray that you will all strive to bring each child of God into the radiance of the Sun of Truth, that the darkness may be dissipated by the penetrating rays of its glory, and the winter's hardness and cold may be melted away by the merciful warmth of its shining.' [4, p. 32]

For its complete fulfillment the Covenant must be made inviolable by the Manifestation of God. That is the reason we are now protected from those who are ego-driven. 'Today, the Lord of Hosts is the defender of the Covenant, the forces of the Kingdom protect it, heavenly souls tender their services, and heavenly angels promulgate and spread it broadcast. If it is considered with insight, it will be seen that all the forces of the universe, in the last analysis serve the Covenant.' [5, p. 228]

Not coincidentally all the forces of the universe—which includes these economic forces which were previously veiled—serve the Covenant. This power of the Covenant is what unveiled the theory of the divine economy in this age of scientific advancement, thus preventing from

happening in the future the disunity and injustices perpetrated by the ego-driven interventionists.

To be able to witness the transition from arbitrary, flawed systems of thought and action to a divine system exalted above and freed from human ego is quite difficult to fully appreciate. Who would have imagined that we would be the ones to be alive during the time when the Covenant of God became fully operational?

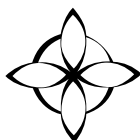
The protection and preservation granted at this special time in the history of humankind establishes true liberty. ‘Therefore, thank God that Bahá’u’lláh has made the pathway straight. He has clearly explained all things and opened every door for advancing souls. There is no reason for hesitation by anyone. The purpose of the Covenant was simply to ward off disunion and differences so that no one might say, “My opinion is the true and valid one.” [6, p. 386]

Now with confidence we can sail the ocean. No one can try to steer us away from our destiny—the acquisition of the names and attributes of God. All such attempts by the ego-driven will become feebler and feebler and less frequent from now on because their motives are clear and evident and to be shunned.



### *Selected Exercises*

1. Discuss how the division of labor ultimately benefits the individual and society.
2. How does the ego interfere with free will?
3. Describe how ego-driven interpretation can destroy people’s faith in God.
4. What underlies the ability of interventionism to gain a foothold?
5. Describe the regression theorem of intervention.
6. Describe the preserving qualities of the divine economy theory and of the Covenant of God.



## Epilogue

### *Reminiscing about the Journey*

How closely wed is the science of ethics and the science of economics? They are like the waves of the same sea. Sometimes they roll or unroll together, sometimes they crash together, but always they are filled with the same ocean water.

After submerging ourselves in the depths of this ocean we discovered lost treasures and we brought them to the surface and revived them. Lost was the tool of logic and lost were the gems of the early contributors to the ethics of the divine economy.

Readying ourselves to embark on this journey of revival required a key step of preparation. The first step was to use axioms as guiding principles in the formulation of a positive ethical theory. Such a thorough blending of ethics and economics as a positive ethical system had never been done before.

The ship constructed for all of our journeys is bound together by a contractual arrangement. That all-pervasive contract is the Covenant of God and it has a reciprocal nature. God will guide us is one half and we will draw closer is the other half.

Proceeding, we directed our vision towards the object of our quest and tried to discern the big picture. We became awestruck by an illumination! What came to light was the realization that the material world is an objectification of the spiritual world which means that the spiritual factors of ethics and economics precede their material expression.

Our guideposts along the way, the buoys that helped us to find our bearings, were the names and attributes of God. These virtues, which

are reflected in some form in all things, are real and permanent and not subject to dissolution. True wealth therefore is eternal.

With the directing influence of the Breath of God, the sails of our vessel were filled and we embarked on our quest. The utterance associated with this Breath was the Word of God which was deposited by the Manifestations of God. In truth, once the laws of the Manifestations of God are adopted the true and highest potential of individuals and of society can be attained.

For our ship to avoid the doldrums it had to steer clear of the finite minds that tried to impose their limited understanding. For instance, all economic intervention is ego-driven and a source of corruption. In splendid contrast, the divine economy is the only uncorrupted economic system.

At the turn of the tide, all of the little streams are weak and mud banks are everywhere until the whole area becomes nothing but the sea. Likewise, little glimpses into the Kingdom of God begin to become manifest as the Kingdom of God on Earth and in a parallel fashion the recognition of the spiritual reality of human beings begins to permeate hearts and minds. The inseparability of ethics and economics is part of that process. Knowledge of the inseparability of ethics and economics is one of the very important means to the ends—an ever-advancing, a divine civilization.

# Glossary

**a priori:** Working from something that is already self-evident to arrive at a conclusion

**Ablution:** The act of washing before prayer

**ad hoc:** Done or set up solely in response to a specific situation or problem, without considering wider or longer-term issues

**Arbitrage:** Buying and selling to take advantage of discrepancies in the price of a good

**Atheism:** Disbelief in the existence of God

**Axiom:** A statement or idea that people accept as self-evidently true

**Austrian economics:** The school of economic thought that uses subjectivism as its methodology and which has theoretical and methodological ties to its founder, Carl Menger

**Canonists:** Those religious authorities that lived in the High Middle Ages and who expounded upon canon law

**Capital:** An intricate, delicate and interweaving structure of goods and resources that must be combined further with other factors to provide consumer's goods

**Causal-realistic:** A focus on causal relations to explain realistic behavior that occurs throughout the market process

**Classical liberalism:** The idea that an unhampered market society is optimal

**Constitutive:** Essential to the particular nature or character of something

**Covenant:** A solemn agreement that is binding on all parties

**Dispensation:** A religious epoch associated with a specific Manifestation of God

**Divine civilization:** The potential appearance of the Kingdom of God on Earth associated with the dispensation of each Manifestation of God

**Divine economy:** The equilibrium forces of the economy that irresistibly operate according to the laws and ordinances of the Manifestations of God

**Divine microeconomy:** The attraction to and conveyance of the names and attributes of God by individuals

**Divine revelation:** The appearance of the Manifestation of God and the accompanying Word of God

**Dualism:** A philosophical theory based on the idea of opposing concepts, especially the theory that human beings are made up of two independent constituents, the body and the mind or soul

**Ecclesiastical:** Belonging to or involving the Christian Church or clergy

**Economics:** The study of the means to attain the ends

**Ego:** The self that uses its free will to turn away from the Will of God

**Empirical:** Based on observation and experiment instead of theory

**Empiricism:** The application of observation and experiment, not theory, to ascribe meaning

**Ends:** What is sought, the goal

**Entrepreneur:** The one who is alert to the opportunities that exist in a dynamic economy and who finds ways to respond to these opportunities

**Entrepreneurship:** The station of being alert, of being a seeker

**Epistemology:** The branch of philosophy that studies the nature of knowledge, in particular its foundations, scope, and validity

**Equilibrium:** The potential force in the economy that creates the tendency to align the will of all of humanity with the Will of God

**Ethics:** The study of moral standards and how they affect conduct

**Eudemonists:** Advocates of the early Greek ethical doctrine that characterized the value of life in terms of happiness

**Exchange:** An act of mutual benefit where both sides agree to give something and receive something

**Hermeneutics:** The 'science' and methodology of interpreting texts

**Human rights:** God-given rights as defined by the Manifestations of God

**Iconoclastic:** Somebody who challenges or overturns traditional beliefs, customs, and values

**Id:** The part of the psyche that is unconscious and the source of primitive instinctive impulses and drives

**Ignorant education:** Education that separates science and religion

**Intervention:** The substitution of coercion for voluntary actions

**Israelitish:** That which originated from the ancient kingdom of Israel

**Logic:** Any system of reasoning and inference

**Macro:** The view that encompasses more than one individual

**Manifestation:** The Prophet, the Messenger of God

**Marginal utility:** For all human actions, the change in the utility or value to an individual associated with an additional unit of a good or service

**Market process:** The matrix where the divine economy operates

**Materialism:** The philosophical theory that physical matter is the only reality

**Means:** Something enabling someone to do something

**Medieval:** Relating to, involving, belonging to, or typical of the Middle Ages in Europe

**Meditation:** Concentration of the mind on one thing, in order to aid mental or spiritual development, contemplation, or relaxation

**Methodological dualism:** For humans, no bridge connects the external world of physical, chemical, and physiological phenomena and the internal world of thought, feeling, valuation and purposeful action

**Micro:** The view from the perspective of an individual

**Morality:** Conduct that is in accord with the laws of God

**Moral relativism:** ‘Morality’ without a divine standard

**Natural law:** Each thing has its own particular set of properties or attributes, its own nature, which distinguishes it from other kinds of things

**Natural rights:** Rights that appear once property of any kind comes into existence from a non-coercive exercising of human action

**Ontology:** The most general branch of metaphysics, concerned with the nature of being

**Oxymoron:** A phrase in which two words of contradictory meaning are used together for special effect

**Partisan:** A bias caused by connection to a particular group

**Philosophy:** The branch of knowledge devoted to the systematic examination of basic concepts such as truth, existence, reality, causality, and freedom

**Polis:** The city-state form of government

**Positive ethical theory:** An irrefutable theory of ethics

**Praxeology:** General theory of human action

**Praxeology redefined:** General theory of purposeful action by spiritual beings

**Primordial:** Essential or basic to something

**Property rights:** The ownership rights of individuals in their persons and in their material possessions

**Reason:** The ability to think logically, regarded as a basis for knowledge

**Romanists:** Those religious authorities that lived in the High Middle Ages and who expounded upon Roman law

**Scholastics:** The scholars of the Middle Ages that combined theology, philosophy, logic and natural law

**Stoics:** An ancient Greek school of philosophy that asserted that happiness can only be achieved by accepting life's ups and downs as the products of unalterable destiny

**State:** A state is a territorial monopolist of compulsion, an agency which may engage in continual, institutionalized property rights violations and the exploitation of private property owners through expropriation, taxation and regulation (Hoppe)

**Subjective valuation:** Each person values things according to his or her own unique system of valuation

**Subjectivism:** The scientific methodology that recognizes that humans make decisions subjectively

**Surreptitiously:** Done in a concealed or underhand way to escape notice, especially disapproval

**Theology:** The study of God

**Thymology:** The study of the human mind by human minds in human terms (Sunwall)

**Usury:** The lending of money with an interest charge for its use

**Value-free economics:** The attempt to separate from economics the value attributed to the ends

**Virtues:** The names and attributes of God

**Volition:** The act of exercising the human will

**Wertfrei-neutral:** Value-free economics

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## About the Author

Bruce Koerber—the originator of the divine economy theory and the divine economy models.

The whole theory and the associated models developed as part of a deductive process. The simple model appeared to be organic and easily took on the characteristics inherent in the philosophy of classical liberalism. The first stage of its development ended with a dynamic macroeconomic model. Pursuing further the deductive process the model fit perfectly into a structural analysis that penetrated into the very heart of economic activity all the way to the origin of where value comes from. This discovery process yielded the microeconomic model.

Two major realms of the divine economy model remained unexplored. The first was the ethical strand which had to do with the connection between the human spirit expressed as purposeful human action, and transformation which is manifest in the capital structure. The perspective of the divine economy theory renewed macro and micro economics, granted, but the melding together of ethics and economics in theory and in a model had never been achieved before.

The last component of the divine economy model is just as earthshaking. This time the relationship between law and order brought to light the role of the equilibrium forces of the economy in the advancement of civilization by balancing all aspects of social cooperation, most notably liberty and justice.