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PREDECESSORS

Francis Wayland

Preacher-Economist

— ◆ —
LAURENCE M. VANCE

One of the nineteenth-century's great but long-forgotten works of political economy was not written by a politician or an economist, but by a Baptist minister. Francis Wayland was born in New York City in March 1796 and died in Providence, Rhode Island, in September 1865. He was an author, a preacher, a teacher, a pastor, and an administrator.

Although Wayland was the son of a Baptist minister of the same name, he studied medicine after his graduation at a young age from Union College until his religious conversion and call to the ministry. He underwent another conversion as well. When he was in medical school, “a remarkable change” took place in his “intellectual condition” (Wayland and Wayland 1868, I: 41). Although he was “very desirous of knowledge” and “read everything” he could, he read only for amusement—“travels, novels, and works of humor” (Wayland and Wayland 1868, I: 41). He wondered “how persons could take so much pleasure in the didactic essays” and confessed that he was attracted to “no abstract thought of any kind” until “by accident” he commenced reading “something purely didactic” and found, to his surprise, that he “understood and really enjoyed it”: “The very essays, which I had formerly passed over without caring to read them, were now to me the gems of the whole book, vastly more attractive than the stories and narratives that I had formerly read with so much interest” (Wayland and Wayland 1868, I: 42). He then “awoke to the consciousness” that he was “a *thinking* being” (Wayland and Wayland 1868, I: 42, emphasis in original). Wayland’s two conversion experiences altered forever the course of his life.

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After a brief period of study for the ministry and an even briefer stint as a college tutor, Wayland accepted the pastorate of a Baptist church in Boston, where he remained for four years. He distinguished himself throughout his life as an effective preacher and a prolific author. Near the end of his life he served as the pastor of a Baptist church in Providence, Rhode Island, and devoted himself to humanitarian causes.

Between his two pastorates, Wayland served as president of what is now Brown University in Providence, Rhode Island, from 1827 to 1855, and he is credited with instituting much-needed reforms and reorganizing the curriculum. He looked back on his own college education with regret, believing that it should have been delayed until he was “capable of understanding, of appreciating, and of loving what I studied” (Wayland and Wayland 1868, I: 43). His opinion of what was wrong with education in the early 1800s might be stated with equal validity in our own time: “All that is sought is to enable the pupil to repeat the words of the text-book, without inquiring whether he is able to comprehend them, or to form from them any conception whatever. The result is, that we see boys, and even children, pursuing studies that can be comprehended only by adults. The time is worse than wasted; for not only is no knowledge acquired, but the habit is formed of reading without understanding—a habit which, once formed, is apt to continue through life” (Wayland and Wayland 1868, I: 43).

During his presidency at Brown, Wayland wrote what became one of the most widely used and influential American textbooks of the nineteenth century, *The Elements of Moral Science*. First published in 1835, it was reprinted by Harvard University Press with a lengthy introduction in 1963. Although currently out of print, the book is still listed in the Harvard University Press catalog.

It is no surprise that Wayland, a Baptist minister, held to the absolute authority of the Bible, but he was equally an advocate of liberty, property, and peace. Because of his strong religious convictions, he made no attempt to separate God from these temporal conditions. In fact, he grounded them in the will of God.

Politically, Wayland was a Jeffersonian (Wayland 1963), but he declared: “I do not wish to be connected with politics. Indeed, I dare not commit myself with politicians. No one knows what they will be next year by what they are this year” (Wayland and Wayland 1868, I: 405). When speaking about liberty, he sounds like a modern libertarian: “Thus a man has an entire right to use his own body as he will, provided he do not so use it as to interfere with the rights of his neighbor. He may go where he will and stay where he please; he may work or be idle; he may pursue one occupation or another or no occupation at all; and it is the concern of no one else, if he leave inviolate the rights of everyone else; that is, if he leave everyone else in the undisturbed enjoyment of those means of happiness bestowed upon him by the Creator” (1963, 183). Wayland took what would now be considered “politically incorrect” positions on voting, poverty, and “the rich.” Voting privileges should be restricted to “those who are able to read and write” (1841, 130). He opposed “poor laws”—that is, “provisions for the support of the poor, simply because he is poor” (1841, 120).

He considered such provisions a “bounty upon indolence” that tended “to greatly increase the number of paupers” (1841, 121). We have “few beggars” in this country, he observed, and “but for intemperance and vice, we should have none” (1841, 309). He regularly defended “the rich” from the false charges frequently leveled against them. Indeed, one reason why poor laws are “destructive” is that they falsely assume “that the rich are under obligation to support the poor” (1841, 121).

Wayland likewise considered the right of property to be “the right to use something as I choose, provided I do not so use it as to interfere with the rights of my neighbor” (1963, 210). Because he believed that “men will not labor continuously nor productively” unless they receive some benefit from their labor, he deplored property “held in common”; under such an arrangement, there was “no connexion between labor and the rewards of labor” (1841, 109). He insisted that the “division of property, or the appropriation, to each, of his particular portion of that which God has given to all, lays at the foundation of all accumulation of wealth, and of all progress in civilization” (1841, 110). Property rights also extend to “every thing created by man” (1841, 154). A man has the right to use his creation “as he will, to the exclusion of every man and of all men. And, provided he do not interfere with the rights of others, no man can interfere with his use of whatever product he has created, without a violation of moral law” (1841, 154–55). Because Wayland considered all wars to be “contrary to the will of God,” he believed that “the individual has no right to commit to society, nor society to government, the power to declare war” (1963, 360). He further maintained that no one was obligated to support his government in an aggressive war. He depicted the Mexican War as “wicked, infamous, unconstitutional in design, and stupid and shockingly depraved in its management” (1963, xxxv)—sentiments one might hear today about the war in Iraq. Wayland was not a subscriber to the “broken window” fallacy, and he faithfully described war’s negative economic consequences:

Of all the modes of national expenditure, the most enormous is that of war. In the first place, the expense of the munitions of war is overwhelming. In the next place, the most athletic and vigorous laborers must be selected for slaughter. Of these the time and labor are wholly unproductive. The operations of industry, in both belligerent nations, are thus greatly paralyzed. The destruction of property, in the district through which an army passes, is generally very great. All this must be taken from the earnings of a people; and is so much capital absolutely destroyed, from which multitudes might have reared, and have lived in prosperity. (1841, 306)

About Great Britain in the first part of the nineteenth century, Wayland remarked that “had the almost incalculable sums which Great Britain has expended in wars, for the last hundred years, been added to her operative capital, and, but for these wars, it would have been so added, all her inhabitants would have found, at all times, abun-

dant employment, and, at a rate of wages, which would, by this time, have banished almost the recollection of poverty from her shores” (1841, 126).

The Elements of Moral Science (1863) was never as popular as Wayland’s textbook on economics, *The Elements of Political Economy*, which is still a classic that deserves consideration two centuries later. First published in 1837, *The Elements of Political Economy* was published soon afterward (1841) in abridged and revised editions. A reexamination of this work is beneficial because not only are Wayland’s economic principles sound, insightful, and in some cases profound, but his emphasis on human action both echoes and predates Ludwig von Mises (1881–1973) and the Austrian school of economics. Wayland’s teachings show that one can hold to the absolute authority of Scripture *and* be a strong advocate of liberty and the free market. Conservative Christianity and laissez-faire economics are not incompatible.

Wayland’s book contains the substance of the lectures on political economy he delivered to the senior class at Brown University. He defines *political economy* the “systematic arrangement of the laws by which, under our present constitution, the relations of many, whether individual or social, to the objects of his desire, are governed” (1841, 15). God has established these laws and subjected to them “the accumulation of the blessings of this life” (15). Wayland remarks in the preface that when his attention was first directed to this subject, “he was struck with the simplicity of its principles, the extent of its generalizations, and the readiness with which its facts seemed capable of being brought into natural and methodical arrangement” (iii). He “labored to express the general principles in the plainest manner possible, and to illustrate them by cases with which every person is familiar” (iii). According to his sons, their father believed that “the great truths of political economy were simply the maxims of common life and every-day experience in private life applied to the regulation of the affairs of communities” (Wayland and Wayland 1868, I: 388). No graphs or mathematical formulas obscure Wayland’s straightforward presentation of these maxims.

The Elements of Political Economy is a treatise under the four divisions of production, exchange, distribution, and consumption: production has to do with “the laws which govern the application of labor to capital in the creation of value”; exchange with “the principles which govern men, when they wish, by means of their own labor, to avail themselves of the labor of others”; distribution with “the laws by which those who have united in the creation of a product, receive, respectively, their portion of the result”; and consumption with “the laws which should govern us in the destruction of value” (1841, 27). Each division, or “book,” as Wayland terms them, is further divided into chapters, parts, and sections. The book as a whole is meticulously organized. Wayland’s lengthy introduction is itself a discourse on the basic principles of value, supply and demand, and the gains from trade.

The emphasis in *The Elements of Political Economy* is always on industry, frugality, thrift, innovation, entrepreneurship, property, competition, the division of labor,

labor-saving devices, and capital. Rather than excoriating the capitalist, the merchant, the retailer, the exchanger (middleman), and the moneylender, as countless writers have done, Wayland earnestly defends them.

Wayland on the capitalist: “The accumulation of capital is more for the advantage of the laborer than of the capitalist. The greater the ratio of capital to labor, the greater will be the share of the product that falls to the laborer. The greater the ratio of labor to capital, the greater will be the share of the product that falls to the capitalist. Hence, the laboring classes are really more interested in the increase of the capital of a county, than the wealthy classes. Hence, when one class of the community repine at the prosperity of another class, they repine at their own mercies, and the means of increasing their own rate of compensation” (1841, 125).

Wayland on the merchant: “When products rise on the merchant’s hands, he charges an additional price; when they fall, he is obliged, frequently, to sell at a reduced profit, or even to sell below cost. The gain, in one case, makes up for the loss in the other. Hence, as no one sympathizes with the merchant, when he sells at a loss, no one should complain, when he sells, for a short time, at more than an ordinary gain” (1841, 23).

Wayland on the retailer: “The *retail merchant* carries on exchanges between the inhabitants of the same country. He purchases of the manufacturer or the importer, in quantities too large for the means of the individual consumer, and sells again in any quantities that the consumer may desire. . . . Hence retail dealers are as necessary to the prosperity of a country, and to the cheapness of productions, as any other class of persons. And it will be found very universally, that it is much more economical to employ their services, than for a man to undertake to do their business for himself” (1841, 162–63, emphasis in original).

Wayland on the exchanger: “Hence, we see that *exchangers* are as necessary to the *cheapness* of production as producers themselves. Hence, we also see how absurd is the outcry sometimes raised against them, because it is said that they *produce nothing*. Did not a large class of the community devote themselves to this employment, it is impossible to conceive what would be the price of the most common and necessary utensil” (1841, 161, emphasis in original).

Wayland on the moneylender: “How very absurd is the prejudice so commonly excited against money-lenders, and money-lending institutions. Were there no money-lenders, there could be no money-borrowers; and were there no money-borrowers, the industrious artisan would surely be the greatest sufferer. It is not denied that the money-lender, loans [*sic*] for his own advantage. But, I do not see why it is any more odious for one man to *lend* for his own advantage, than for another man to *borrow* for his own advantage” (1841, 317, emphasis in original).

Although Wayland occasionally refers to the Bible to make a point, he makes very few references to other authors. As in every work on economics written after the eighteenth century, he does mention Adam Smith, but only during his discussion of

the division of labor. The only other economist he quotes is J. B. Say, from whom he has two extended quotations.

The Elements of Political Economy is filled with profound insights:

He who employs a man to chop wood, would certainly see the importance of furnishing him with a sharp axe. (1841, 376)

We are told that during the French revolution, some individuals were punished capitally, for raising cattle instead of wheat. Men may call this *legislation*, but the true name for it is *robbery*. (116)

The laborer may sometimes complain that the merchant is rich, and that he is poor; that the merchant stands at his desk, while he labors in the street; that the merchant rides in his carriage, while he travels on foot. But it may be to him some consolation to remember, that were not the merchant rich, the laborer would be still poorer, for every article would be dearer; and, besides, there would be no one to pay for the labor with which alone he is able to purchase it. (162)

It is never profitable to employ laborers incapable of accomplishing the result. If a particular part of an operation require skill and labor worth five dollars per day, it is better to give this price than to confide it to an incompetent person, who is willing to work for two dollars per day. (374)

God has created man with physical and intellectual faculties, adapted to labor. . . . Labor is necessary to the healthful condition of our powers, both physical and intellectual. . . . The Creator has affixed several penalties, which those who disobey this law of their being, can never expect to escape. He who refuses to labor with his mind, suffers the penalty of ignorance. . . . He who refuses to labor with his hands, suffers, besides the pains of disease, all the evils of poverty, cold, hunger, and nakedness. The results which our Creator has attached to idleness, are all to be considered as punishments, which he inflicts for the neglect of this established law of our being. (105–7)

With but few exceptions, all economists—from the chairman of the president’s Council of Economic Advisers to the teacher fresh out of graduate school—are now interventionists to the core. They believe that the government should play a major role in the economy or at least intervene in the event of market “failure.” Francis Wayland had a much different view. With regard to usury laws, money and banking, internal improvements, and trade restrictions, among other things, the detrimental effect of government intervention is a recurrent theme in *The Elements of Political Economy*.

Wayland disparages legislation and legislators. “Legislation never confers any right whatever; it only confirms those rights which previously existed” (1841, 282). When capital leaves the country, its departure “generally springs from oppressive leg-

islation” (213). Unnecessary government expenditures are “evil” (306), and legislation may effect “a stagnation of business” (181). Wayland specifically mentions five forms of detrimental “legislative interference”: grants of monopolies, requirements that someone engage in labor or investment against his wishes, restrictions on industry, requirements that someone change his mode of employment, and sumptuary laws (116–18). Legislators fail as central planners:

Not only are legislators, who generally assume the labor of directing the manner in which labor or capital shall be employed, in no manner peculiarly qualified for this task; they are, in many respects, peculiarly disqualified for it. The *individual* is liable to no *peculiar* biases, in making up his mind in respect to the profitableness of an investment. If he err, it is because the *indications* deceive him. The *legislator*, besides being liable to err by mistaking the indications, is liable to be misled by party zeal, by political intrigue, and by sectional prejudice. What individual would succeed in his business, if he allowed himself to be influenced in the manner of conducting it, by such considerations? (115, emphasis in original)

Every state in the union currently has usury laws that regulate the rate of interest in order to “protect” the consumer. Many states have had such laws on the books for a long time. Wayland opposed such laws. He deemed “all enactments establishing a legal rate of interest” to be “injurious and unwise” (1841, 334). He viewed “laws regulating the rate of interest” as “injurious to the prosperity of a country” (332). Among other things, they “violate the right of property” and “can never be enforced” (332–33), and their effect “is merely to drive the best and most conscientious lenders out of the market, or else oblige them to lend by means of subordinate and less scrupulous agents” (333).

Wayland’s discussion of money and banking takes up one hundred pages, or one-fourth of the entire book. His treatment of the history, nature, and purpose of money is straightforward. He declares that “gold and silver possess all the essential qualities which are required in a circulating medium” (1841, 199). However, as he points out repeatedly, “A circulating medium, derives its use, as money, from its inherent fitness, and the desire of men so to employ it, and not from any agency of government in establishing it” (217). It is therefore no surprise that he opposed government regulation of money: “A plentifulness or a scarcity of money forms no occasion which calls for the interference of government, but that it is a matter, which, if left alone, will regulate itself” (211). Furthermore, government has no right “to prevent the exportation or importation of specie,” “to alter the value of money,” or “to fix the relative value between the precious metals” (221–22). Unlike Franklin D. Roosevelt, who with the stroke of his pen outlawed the holding of gold by presidential executive order, Wayland believed that “a man has the same right over whatever silver or gold he may possess, as he has over cotton, or wool, or any thing else; and he has just the

same right to exchange it with any one, and for any thing, as he may think for his advantage” (222). He also spoke at length about paper money, viewing economy and convenience as the only advantages of using it (261). Paper money is liable to forgery, fraud, and fluctuation in value (262). Wayland did not demonize banking. Banks increase the productivity of capital and facilitate exchange. They should be treated as any other business; the legislature has no authority to protect them “against the consequences of their own misconduct” (279). Banks should be required to redeem their bills in specie, but otherwise not be subject to legislative interference.

Although the state’s role in undertaking internal improvements is commonly accepted now, it was very much an issue in the period before the Civil War. Wayland, writing in 1837, opposed the state’s undertaking internal improvements. He believed that “the safer rule would be to leave works of this kind to be executed by private corporations” (1841, 186). A private road or canal “will be executed at much less expense,” “will be more faithfully superintended,” and will not be subject to political patronage (185). He argued that if a project will not be profitable, any capital the government invests in it must be taken from more productive employments, but if a project will be productive, private enterprises will undertake it because “private individuals will judge much more accurately than a government” (185).

The benefits of exchange and the absurdity of trade restrictions are focal points of Wayland’s book. Wayland’s free-trade credentials are impeccable. Not only did he reject the notion that there is a “loser” in an exchange, but he also maintained that “universal exchange is as necessary to the welfare, and even to the existence of the human race, as universal production” (1841, 160). Government should impose no restrictions that hinder an individual from purchasing or selling “where he pleases” (378) and no controls on “the nature or the quantity of the articles which he exports or imports” (164). According to Wayland, “he who is honestly promoting his own welfare, is also promoting the welfare of the whole society of which he is a member” (378) because “in political economy, as in morals, every benefit is mutual; and we cannot, in the one case, any more than in the other, really do good to ourselves, without doing good to others; nor do good to others, without also doing good to ourselves” (171). It is “a benefit to a whole neighborhood, for a single member of it honestly to become rich” (94). These truths apply on the national level as well:

Hence we see, how fallacious is the notion formerly entertained, that, by exchange, only one party is benefited; and consequently, that what one party gains, the other party loses. Were this the case, no country could grow rich by exchange, unless by impoverishing every other country; and the gain of one nation, would be nothing else than a transfer of the wealth of other countries to itself. On the contrary, precisely the reverse is the case. The most favorable commerce to any one country, is, that by which the riches of both countries are the most rapidly increased. A merchant, whose gains were all derived from the impoverishment of his customers, would

very soon have none but paupers for neighbors. A nation, whose traffic caused the impoverishment of another nation, would very soon be obliged to discontinue commerce. (171)

Wayland concludes that “every individual will be richer and happier, when each portion of the globe devotes itself to the creation of those products for which it has the greatest natural facilities” (91).

Historians of economic thought have generally been kind to Francis Wayland—if they mention him, that is. He is not included in the recently published compilation *Fifty Major Economists* (Pressman 1999), but neither is Ludwig von Mises or Murray Rothbard. In a discussion of American economics textbooks, Joseph Schumpeter favorably mentions Wayland in a footnote in his *History of Economic Analysis*: “Of the homegrown products, the Rev. Francis Wayland’s *Elements of Political Economy* (1837) was, I believe, the most successful. Having heard and read a number of scathing comments about it, I experienced something like agreeable surprise when I read it” (1954, 515).

Only two historians of economic thought, John Bell and Joseph Dorfman, devote more than a line to Wayland and his book. Bell terms the book “by far the best and most adaptable text written by any American prior to 1867” and explains why it gained such wide acceptance: “Its moral tone was high, and the simplicity of the presentation made it extremely popular for use in beginning classes in economics. It had a broad selection of topics, was laissez faire in general philosophy, strongly free trade on tariff issues, fairly liberal but withal cast in the mold of orthodox English economics. The book supplanted all other texts, even J. B. Say’s *Treatise*. It was translated into most languages” (1953, 490, 491). Dorfman actually devotes an entire chapter in *The Economic Mind in American Civilization* (1946) to “the school of Wayland.” There he gives some background on Wayland, the “ideal textbook writer,” and presents Wayland’s views with an abundance of supporting quotations. As the editor of Wesley Mitchell’s *Types of Economic Theory*, Dorfman amends Mitchell’s negative appraisal of American pre-Civil War textbooks with an added statement about Wayland’s book. Mitchell states of these textbooks, “Very few have any distinctive spirit. They are extremely hard for me to read and I am a most hardened consumer of such literature” (1969, 224), but Dorfman adds in a footnote: “The most popular text-book for the period as a whole and especially for the pre-Civil War era was that of the Reverend Francis Wayland (1796–1865), president of Brown University. His *Elements of Political Economy* (1837) sold over 40,000 before the Civil War and the abridged version over 13,000” (224 n. X).

Dorfman’s student Murray Rothbard does not mention Wayland in his *History of Economic Thought*, but in his treatise on economic principles (2004) he favorably quotes Wayland’s definition of monopoly. A few other works mention Wayland as an American economist (Gruchy 1947; Ingram 1967; Teilhac 1967), but they offer little or no comment on his significance.

We cannot call Francis Wayland an Austrian economist in the true sense of the word. Not only did he write *The Elements of Political Economy* before Carl Menger (1840–1921) was born, but his books contain no specific discussions of the business cycle, marginal utility, or subjective value. Wayland probably would have preferred to be remembered as a preacher, an educator, or a philanthropist, rather than as an economist. Still, for someone who would not have considered himself an economist, he produced a work on economics that is both insightful and immensely practical. His emphasis on property, capital, and entrepreneurship as well as, above all, his commitment to private action instead of government action make his long-forgotten work on economics worthy of enduring respect.

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