
The Immorality of Redistribution

BY HAROLD B. JONES, JR.

It has been proposed that government assistance programs like prescription drugs should be provided only to those who earn less than a certain income. The fate of such a policy can be predicted from what has happened to Medicaid. Intended to provide medical care for the poor, Medicaid has become “inheritance protection for the children of well-off seniors.”¹ No retirement plan is complete without a scheme for hiding assets and income in order to qualify for Medicaid. A means test for other benefits will lead to a vast expansion of the “elderlaw” industry and to ever-more ingenious schemes for concealing wealth.

Lord Bolingbroke said that history is philosophy taught by example. The philosophy behind Medicaid and its relatives is “to each according to his need,” and the history of these programs suggests this philosophy is badly flawed. Back when most of the American welfare state was still in the planning stage, Milton Friedman pointed to the nature of this flaw with two parables. The first told about three Robinson Crusoes, one who landed on an isle of plenty and the other two who found their struggle for survival difficult. The second parable was about the chance discovery of a twenty-dollar bill. In both cases, Friedman said, we might applaud the fortunate party if he chose to share his abundance, but in neither case would we be well advised to insist that he do so. “Are we prepared to urge on ourselves or our fellows that any person whose wealth exceeds the average of all persons in the world should immediately dispose of the excess by distributing it equally to all the rest of the world’s inhabitants? . . . [A] universal ‘potlatch’ would make a civilized world impossible.”²

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meant only that human nature being what it is, redistribution schemes never work out as planned. He said they are impractical, but specifically refused to attack the ethical foundation on which they are built. Two centuries earlier, Immanuel Kant had said that, more than merely impractical, any principle that does not allow for universal application is fundamentally immoral. It is time to take another look at Kant and to consider what he would tell legislators who think they can solve social problems by taking the wealth of some and giving it to others.

Kant was born in Prussia in 1724, a year after Adam Smith was born in Scotland. His father was a saddler, and for all his life Kant displayed the commonsense attitudes of a small entrepreneur. His writing is filled with catchphrases he must have picked up at the family dinner table: “Contract no debt for which you cannot give security”; “be thrifty, then, so that you will not become destitute”; “be no man’s lackey”;³ “he who would like to eat bread should contrive a mill.”⁴ Later in his life his best friends were businessmen, and he liked to use expressions he had picked up from them.⁵ He describes one argument as particularly weak by saying it is like a merchant trying to “improve his financial state by adding a few zeroes to his cash balance.”⁶

He received his doctorate in 1755 and was allowed to lecture as “private teacher” (*Privatdozent*), which meant he had no official position but could earn as much as his students were willing to pay. Adam Smith, who had some familiarity with the universities of the time, said

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that professors who could rely on a salary showed little concern for the quality of their lectures. The only ones who ever became good instructors were those who were entirely dependent on the fees paid by their students.⁷ Kant fell into the latter category, mastered the art of teaching, and found his classes full.⁸

Kant was in fact something of an educational entrepreneur. The work of a *Privatdozent* tended to be less than highly remunerative; few could afford to engage in it without some other source of income.⁹ Kant compensated by maintaining a careful budget and teaching a large number of classes. He could become quickly expert in any field he chose and therefore could talk about anything in which the people of Königsberg might be interested.¹⁰ Economics was one the subjects on which he lectured,¹¹ and in *The Metaphysics of Morals* he specifically refers to Adam Smith.¹²

In 1770 Kant became a professor of philosophy at the University of Königsberg and began the work that made him famous. Up to this point his primary interests had been science and mathematics. Will and Ariel Durant have gone so far as to say that if he were remembered for what he did in the first half of his life, he would be remembered as a scientist.¹³ After the publication of *Critique of Pure Reason*, his name became almost a synonym for philosophy.¹⁴ The size of his achievement may be measured by the fact that of the 15 volumes in a paperback printing of Frederick Copleston's *History of Philosophy*, all of one volume and most of another are about Kant. Copleston, a Jesuit and an Aristotelian, devotes more space to Kant than to Thomas Aquinas and Aristotle combined.

Kant's famous and widely misunderstood theory of knowledge notwithstanding, he was not interested primarily in how we learn about external reality. His central concern was ethics. The question, "What can I know?" he said, was "merely speculative" and deserved attention only for the sake of two vastly more important queries: "What should I do?" and "What may I hope?"¹⁵ He wanted to show that morality has a claim on us even in the absence of perfect knowledge.¹⁶



Immanuel Kant (1724–1804)

Kant said there are two ways in which we can learn about morality. First, we can watch what people do; he calls this the study of "practical anthropology."¹⁷ If we take this approach, we soon find it is difficult to separate morality from the other factors that come into play. Two different people may be doing entirely different things, and both of them may seem to be getting away with it. Two societies following very dissimilar social policies may both be prosperous. Something may seem to work at one time but not at another. This is the problem that Ludwig von Mises refers to as "complex phenomena."¹⁸ The threads of causation intertwine, and it is impossible to be sure about which is determinative for whatever we may be studying.

The other approach, and as far as Kant was concerned the only acceptable approach, was logical analysis. He wanted to do more, however, than simply abstract from the particulars and arrive at generalizations. The analysis of empirical data has its place, he said (remember his early career in science and mathematics), but it is a poor tool for the examination of ethical standards. Moral philosophy seeks to discover "what *ought to happen*, even if it never does happen."¹⁹ (Even if experience has taught us that all men are liars, still we know we ought to tell the truth.) We can address the core issues of morality only by means of disciplined logic.²⁰

Law of Non-Contradiction

The indispensable tool is the law of non-contradiction. Every freely chosen behavior, Kant said, gives expression to some general principle. He referred to general principles of this kind as "maxims." He said that if the maxim underlying a particular action could be universally applied, the action is moral. If a universal application of the underlying maxim would run into the law of non-contradiction, the action is immoral. Thus Kant's Categorical Imperative is to act only according to maxims that can be universally applied.

Suppose, for example, that I am having financial difficulties and know I can gain some relief by writing a bad check. The underlying maxim is that it is acceptable

to write checks even if one knows the money in one's account is insufficient to cover them. If everyone were to live according to this maxim, merchants and creditors would begin to demand cash. If that were the case, I could not get myself out of my present straits by writing a bad check, because no one would accept it.²¹ If I take the trouble to think, I will see that if it were universalized, my maxim would stumble over the law of non-contradiction. The behavior to which it gives rise is therefore immoral.

Widely accepted standards that fail the test of Kantian morality survive because they are never carried to their logical conclusion. This does not mean they are not dangerous. Kant gave the example of fighting duels, the maxim of which is that you may kill anyone who offends you. If universalized, this maxim would lead quickly to the elimination of every potential offender (including yourself) and therefore to the disappearance of dueling, not to mention the destruction of society.²² The custom could survive only because relatively few people ever resorted to it.

Redistribution policies are more dangerous than dueling because they have become more widely accepted. Even the relatively wealthy (as in the case of Medicare) have learned to take these policies for granted. They have learned to accept the maxim "To each according to his need" without stopping to realize that the point at which it becomes a universal principle of action will be the point at which the divorce between production and consumption is finalized. But it is impossible to consume what has not been produced. Like writing bad checks and dueling, the welfare state is immoral because the maxim on which it is based runs headlong into the law of non-contradiction.

This line of reasoning bypasses the administrative questions of how to identify the "needy" and of how to set up the apparatus to provide for them. It steps over the problems of perverse incentives and bureaucracy. It avoids the economist's traditional concern with efficiency. It agrees with those who argue that the welfare state is impractical but insists that this impracticality is the result of something deeper. The redistribution of wealth

is immoral, it says, and nothing immoral is likely to work well in practice.

In contrast to the principle on which the welfare state is built, the maxim of capitalism meets the test of economic efficiency precisely because it meets the test of Kantian morality. Milton Friedman describes the capitalistic ethic as "To each according to what he and the instruments he owns produces."²³ The principle is moral because it can be universalized without running into the law of non-contradiction. A society can enjoy the economic comfort of knowing its books are balanced only if it enjoys also the moral assurance of knowing it has paid for everything it has received.

The Second Formula

Kant would say redistribution is immoral because the maxim on which it is based could not be universally applied without running into the law of non-contradiction. The welfare state is immoral also because it allows the recipient to make demands on the taxpayer without providing the taxpayer with an equivalent value. Redistribution is immoral, more generally, because it allows one person to treat another as a means to the first person's ends.

"Act so that you use humanity, as much in your own person as in the person of every other, always at the same time as end and never merely as means": Kant said this is another way to formulate the Categorical Imperative.²⁴ He had been carried to the earlier formulation by the conviction that the human mind can demonstrate the results of any maxim's having become a universal principle of action. As the only thing in the universe that is thus capable of distinguishing between right and wrong, intelligence demands ultimate respect: *"Rational nature exists as an end in itself"*²⁵ and must never be treated merely as a means to some other end. If the maxim that you can treat others as no more than means to your own ends were universalized, each person would treat every other as no more than a means. In this situation, every rational mind would be preoccupied with defending itself from the onslaught of every other rational mind, and society would disintegrate.

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We can avoid this unfortunate conclusion, Kant said, only if each aspires, “as much as he can, to further the ends of others.”²⁶ The individual intelligence is at its core the capacity for selecting from among the various purposes to which it can commit itself.²⁷ It is incapable of seeking ends other than its own. To argue anything else is to run immediately into the law of non-contradiction. The human mind rises to the level of morality when it learns to seek its own ends by providing others with the means to their ends.

This is exactly what happens in voluntary exchange. Adam Smith’s famously self-interested butcher and baker were seeking their own ends: they wanted to replenish their inventories, provide for their families, and set aside some money for retirement. Their equally self-interested customers were looking for something to put on the table at dinnertime. The two businessmen were attempting to get what they wanted by providing for the needs of those who came into their shops. The members of their clientele were attempting to get what they wanted by providing funds to keep the butcher and baker in business. Each party to every transaction pursued his ends by advancing the ends of the other party.

The immorality of redistribution lies in the elimination of this mutuality. The voter seeks to use the taxpayer as a means to the voter’s financial security without at the same time doing anything to serve the taxpayer. The politician attempts to use both the taxpayer and the voter as a means to the politician’s goals of power and tenure. The fact that the voter, the taxpayer, and perhaps even the politician may be the same person does not raise the scheme to the level of morality. It means only, as Herbert Schlossberg has observed, that we have somehow come to believe we can enrich ourselves by picking our own pockets.²⁸

This childish belief is in part the result and in part the cause of modern social arrangements. Kant condemned the paternalistic state because it “treats citizens as children.”²⁹ Such treatment of course encourages mental

immaturity, but it is also the consequence of mental immaturity. The citizen who has reached the level of adulthood in his thinking understands the logical impossibility of a policy that does not allow for universal application and the danger of treating others as no more than a means to his own ends. Such a citizen has set aside the childish belief that the “moral” and the “practical” are in conflict. The immoral government that treats Americans as children is their own creation. It will not get better until their economic beliefs have risen to the level of rational morality.

The crying evil of Kant’s time was serfdom. Although little more than a system for the cruel exploitation of servile labor, it was both widely accepted and justified by the teachings of the Church. The serf heard time and again that his situation was the result of a Divine ordinance, but he knew it was a violation of his right to be treated as an end in himself and was endlessly clever in devising ways to escape the obligations it laid on him. As free cities and extra-feudal lines of authority began to appear, he learned that *stadtluft macht frei* (“town air makes free”) and at the first opportunity escaped from the burdens of the countryside.

By 1500 this process was already underway in England, but on the continent it was delayed by dynastic rivalry and war. At the end of the eighteenth century, serfdom remained a fact of life in much of Europe. In reply to those who argued for the preservation of ancient and accepted institutions, Kant said, “[I]t is absurd to suppose a wrong becomes a right because it has continued a long time.”³⁰ Serfdom had to go because it violated the laws of rational thought. It could depart either with a peaceful change in the laws or with the violence and despotism of the French Revolution.

Something similar could be said about modern systems of forcible redistribution. Their survival creates a precarious balance. They continue because they are widely accepted; they are dangerous because they tear at

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the social fabric. The scale must eventually tip one way or the other, either toward greater morality and more freedom or toward much less.



1. "Medicaid for Millionaires," *Wall Street Journal*, February 24, 2005, A14.
2. Milton Friedman, *Capitalism and Freedom* (Chicago: University of Chicago Press, 1962), p. 165.
3. Immanuel Kant, *The Metaphysics of Morals*, trans. Mary Gregor (London: Cambridge University Press, 1996 [1797]), p. 188.
4. Immanuel Kant, *Critique of Practical Reason*, trans. T. K. Abbott (New York: Prometheus Books, 1996 [1788]), p. 40.
5. Manfred Kuehn, *Kant: A Biography* (Cambridge: Cambridge University Press, 2001), p. 241.
6. Immanuel Kant, *Critique of Pure Reason*, trans. Paul Guyer and Allen W. Wood (Cambridge: Cambridge University Press, 1998 [1781]), p. 569.
7. Adam Smith, *The Wealth of Nations* (New York: Modern Library, 1937 [1776]), pp. 716–21.
8. J. H. W. Stuckenber, *The Life of Immanuel Kant* (London: Macmillan, 1882), pp. 78, 366.
9. Kuehn, p. 66.
10. Stuckenber, pp. 51–58, 78, 109, 170.
11. Kuehn, p. 324.

12. Kant, *Metaphysics of Morals*, pp. 69–71.
13. Will and Ariel Durant, *Rousseau and Revolution* (New York: Simon and Schuster, 1967), p. 532.
14. Will Durant, *The Story of Philosophy* (New York: Simon & Schuster, 1926), p. 192.
15. Kant, *Pure Reason*, p. 677.
16. Kuehn, p. 265.
17. Kant, *Metaphysics of Morals*, p. 4.
18. Ludwig von Mises, *Human Action* 4th ed. revised (Irvington-on-Hudson, N.Y.: Foundation for Economic Education, 1996), p. 31.
19. Immanuel Kant, *The Groundwork on the Metaphysics of Morals*, trans. Allen W. Wood (New Haven: Yale University Press, 2002 [1785]), p. 44.
20. *Ibid.*, p. 5.
21. *Ibid.*, p. 39. This illustration is an adaptation of Kant's, which is about making a promise to get a loan you know you cannot repay.
22. Kant, *Practical Reason*, p. 32.
23. Friedman, pp. 161–62.
24. *Groundwork*, pp. 46–47.
25. *Ibid.*
26. *Ibid.*, p. 48.
27. *Ibid.*, p. 45.
28. Herbert Schlossberg, *Idols for Destruction* (Wheaton, Ill.: Crossway Books, 1990), p. 281.
29. Kant, *Metaphysics of Morals*, p. 94.
30. *Ibid.*, p. 131. Although I am here quoting Kant out of context, this sentence is an accurate representation of his attitude toward serfdom; see Kuehn, p. 372.

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