

The Coming of Caesar

By Dr. Mark W. Hendrickson

We have a problem. This could be “the big one”—bigger than coping with the Ahmadinejads, Kims, and Chavezes of the world and bigger than our current economic woes. Our republic, our society, may be heading for a crackup. We are bankrupt, both financially and politically.

The source of the problem is democracy. Decades of so-called “progressive” thought have led us to abandon the limited-government, constitutional republic established by our founding fathers. In the name of putting more power into the hands of “the people,” the government has arrogated sweeping powers.

There is a famous passage (possibly cobbled together from several separate statements and authors) that explains democracy’s fatal flaw, the inherently self-destructive element that caused our founding fathers to distrust democracy (google “James Madison on democracy” for more):

“A democracy is always temporary in nature; it simply cannot exist as a permanent form of government. A democracy will continue to exist up until the time that voters discover that they can vote themselves generous gifts from the public treasury. From that moment on, the majority always votes for the candidates who promise the most benefits from the public treasury, with the result that every democracy will finally collapse due to loose fiscal policy, which is always followed by a dictatorship.”

Crude, majoritarian democracy (as in, “there are more of us than there are of you, so we’re going to redistribute your wealth”) inevitably undermines the harmony of society. A free market, as competitive as it is, is based on peaceful, voluntary cooperation. When commerce is free and unfettered by government interference, both sides to a transaction normally gain, thereby promoting social harmony.

Democracy, by contrast, engenders social conflict. Money changes hands by force of the taxman and the threat of imprisonment, not voluntarily. Democracy pits citizens against each other in a sordid squabble whereby many strive to have the state confer benefits seized from their fellow citizens.

Today, Washington redistributes trillions of dollars annually, so the capital is swarmed by battalions of lobbyists, representing myriad special interests, each trying to secure more political rent from government than what government takes from them. As the late, great economist Hans Sennholz described it, the democratic “transfer society” resembles the absurd spectacle of a circle of people, each trying to pick his neighbor’s pocket. How can there be social harmony when everyone is trying to rip off someone else?

This process of using government to extract wealth from other citizens (dubbed “legal plunder” by the 19th-century French economist Frederic Bastiat in his brilliant essay, “The Law”) has reached the point where Uncle Sam is essentially bankrupt. (See [“We’re Broke.”](#)) With government spending and deficits soaring under the present administration, the day of reckoning approaches. If foreigners should decide to cut their losses and balk at financing any more of our debt, either interest rates

will soar, collapsing the economy, or the Fed will monetize all the debt, collapsing the dollar and the economy.

Can that day of cataclysm be postponed? Perhaps the wealth-redistribution system can be kept on life support a while longer, if government can confiscate a much larger share of the middle class' wealth (yes, the middle class, because there aren't enough rich people to finance all of Uncle Sam's promises) or by dramatically slashing benefits.

When that momentous day arrives, there will be a lot of angry Americans. One might say that the so-called "social contract" will be broken, but the problem is, there isn't just one such "contract." There are two, and they are fundamentally and irreconcilably opposed to each other.

One "contract" is the government's long-standing promise to support those in need. Many Americans have been taught to believe that they are entitled to a share of other people's property, even if they have contributed nothing of value to society themselves and have made poor choices. The other social "contract" is the traditional implicit promise of America: namely, that if you work hard, you are entitled to the fruits of your labor.

When a financial crackup occurs, those who have been taught to depend on government will demand continued government benefits. If government fails to provide them, those demands could turn violent. On the other hand, if government moves to confiscate a significant chunk of whatever wealth remains in the hands of an already-hurting middle class, then millions of peaceful, law-abiding, hard-working Americans may finally reach the breaking point and rebel, as our forebears did in the 1770s, against a government viewed as abusive and oppressive.

How bad could it get? If the social order breaks down, civil unrest could disrupt markets and shortages of essential goods could occur. The resulting chaos could trigger martial law. A strong leader—a Caesar—could institute some sort of command order. Millions would resent it, but it would be accepted, because the alternative—civil conflict, chronic disorder, and impending starvation—would be intolerable. In such a calamity, Caesar would be the lesser of two evils. The American Republic and Constitution would join earlier democracies in the ashbin of history.

God help us.

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