
Compromise, Principles, and Politics

BY GARY M. GALLES

“Public servants” laud compromise as a principled and sensible political course. They call it statesmanship or bipartisanship, and portray it as the path to unity, while roundly criticizing those unwilling to compromise in the desired way. This appeal often strikes a chord with the public. (Leave aside that compromise is usually sought by legislative near-majorities that intend for others to move toward them, rather than the other way around.)

Political reality reveals that the unity argument is a sham. The diametrically opposed things people want government to do guarantees disunity. America cannot be unified about government powers that some consider essential but others reject as unjustifiable. Unity in defense of freedom cannot be achieved when some intend to violate others’ rights to get what they want. How can those who wish to pick pockets and those who are to have their pockets picked unite? As long as government is involved in income distribution, real unity is beyond reach. There is only the question of whose preferences will dominate.

Further, politicians’ self-congratulatory compromise rhetoric glosses over important distinctions. In particular, there are huge differences between market compromises—flexible, voluntary compromises by all whose rights are affected—and political compromises—typically arrangements in which just over half the participants compromise on an agreement to coerce others.

There are few better illustrations of the distinction between market compromises and political compromises than the legislation governments impose on economic arrangements.

The free market (as opposed to the current mixed economy) is nothing but a name for voluntary, peaceful compromise. For example, in a market negotiation, I may offer you \$5 for an item and you may ask for \$10.

The resulting price we agree on will typically be something in between—a compromise, but unlike political compromises, one without coercion. It is practical. It disturbs no one’s harmony or peace. And as any of innumerable circumstances change, that price can change in response, again without coercion. No less important, everyone whose rights are involved, but no one else, must come to mutual agreement.

Market Compromise

Unfortunately, the nature of market compromise can be easily misunderstood, especially when misunderstanding is continually promoted by demagogues. During negotiations, when a higher price benefits the seller

more and a buyer less, and a lower price benefits the buyer more and the seller less, it is easy to lose sight of the mutual benefit that drove buyer and seller together in the first place. The apparent win-lose imagery of the

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Gary Galles (gary.galles@pepperdine.edu) is a professor of economics at Pepperdine University.

negotiation process can obscure the win-win reality of agreed exchanges.

As a result, whenever the market price rises against buyers' wishes (especially when they have become used to a price, so that they feel they have a right to it and anything higher is "unfair"), they may believe they are being ripped off rather than part of a compromise. Sellers can feel the same way when the market price falls. That can lead them to ignore the fact that they still gain, because their focus is instead drawn to their portion of the joint gains. They can overlook the unique ability of markets to maintain voluntary arrangements even as myriad conditions change. It's a short step to demanding that government do something, such as impose maximum or minimum prices.

Because market prices are compromises between those who would like to pay less and those who would like to sell for more, price controls and other economic restrictions are bans on such compromises that people would otherwise willingly make with each other. In restricting such compromises, governments reduce people's options and gains from trade. That harm is not mitigated at all by calling a price control a political compromise.

Market interventions such as price controls remind us that the essence of government is coercion, because it alone can force supposed compromises on those who didn't agree to them. But coercion—"Do it my way, or else"—is the opposite of compromise; it is tyranny, regardless of how many parties compromised before proceeding to plunder others.

The Necessity of Property

Property rights, which form the basis for market exchange, are no better understood by those who shill for political compromise. Property rights reflect an absolutely crucial compromise, yet allow us to avoid what can be an extremely costly process of reaching compromise when it is unnecessary.

Respect for property rights arises because I could gain by taking your property, forcing you to invest money and effort to defend it, and vice versa. If we could honor one another's property rights, the risk from predation would be lowered, benefiting both of us and setting the stage for further mutually beneficial voluntary market arrangements.

This view was clearly expressed by John Locke, who wrote that "the preservation of property [is] the reason for which men enter into society." That central purpose of government was widely echoed by America's founders. For example, John Adams wrote that "The moment the idea is admitted into society, that property is not just as sacred as the law of God, and that there is

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not a force of law and public justice to protect it, anarchy and tyranny commence." In the same vein, James Madison, the "father of the Constitution," wrote that "Government is instituted to protect property. . . . This being the end of government, that alone is a *just* government which *impartially* secures to every man whatever is his own."

Importantly, the establishment and defense of property rights is not a compromise over what people will do, but over what they will *not* do. They are negative rights to be free from others' interference, not positive rights to be guaranteed things without the willing cooperation of others. Unlike positive rights, which must treat individuals differently, negative rights that no one is allowed to violate reflect the rule of law. They are the only type of rights that can advance the general welfare in the commonplace sense—making all of us better off than before. The compromise leading to respect of negative property rights stands in sharp contrast with "compromise" legislation that gives some individuals new positive rights by violating others' negative rights against intrusion.

Well-established property rights also allow us to avoid an extremely costly process of reaching compromises when they are unnecessary. Clear property rights establish that the owner has the power to dispose of an

asset. All the other people who would like to control or influence that disposition (so-called stakeholders) can do so only by persuasion. Owners, of course, have a right to remain unpersuaded. Vast social benefits result from their being free to avoid having to compromise with everyone who would free-ride on their rights.

There is also a huge gap between the marginal compromises on markets and compromises that involve moral principles. As FEE founder Leonard Read put it, “The compromising attitude is exalted by many . . . [but] it has no application whatever in a moral sense. . . . Principle does not lend itself to bending or to compromising. . . . I must either abide by it, or in all fairness, I must on this point regard myself as an inconsistent, unprincipled person.”

Offering a little more money or accepting a little less to consummate a transaction is compromise, but it does not violate any moral principles. But unlike prices, which are designed for marginal adjustments to maintain mutually beneficial arrangements, essential moral principles tend to be all or nothing; compromising means abandonment. “Thou shalt not steal” is violated by small thefts as well as large. In both cases, you take other people’s property not only without their consent, but over their objections. So a compromise between someone who doesn’t want to steal and someone who wants to steal a lot—stealing a smaller amount—abandons the principle in the process of compromising.

Ideas Born of Surrendered Principles

Unfortunately, as Read concluded, “[S]urrender of principle appears to be the distinguishing mark of our time . . . [and] ideas born of surrendered principles are the most dangerous vandals know to man.” This is illustrated by the eroded status of Americans’ inalienable rights that were laid out in the Declaration of Independence. Inalienable rights cannot be compromised without being lost, but they have been dramatically compromised. You see it in the massive overstepping of the limited role the Constitution assigned to the federal

government. The political process has so compromised the participants that only the explicit “Thou shalt nots” in the Bill of Rights have even a fighting chance of protecting citizens from the predatory tendencies of government.

Unlike market compromises, political compromises do not include all parties whose rights are affected. If Rep. Curly wants to take X dollars from Moe to benefit his constituents and Rep. Larry wants to take Y dollars from Moe to benefit his constituents, doing both can be enacted on a 2-to-1 vote. Yet that is a compromise only between Curly and Larry to help them at Moe’s expense. If not done through government, that would be considered a criminal conspiracy. Calling it a compromise cannot change the fact that Curly and Larry only compromised


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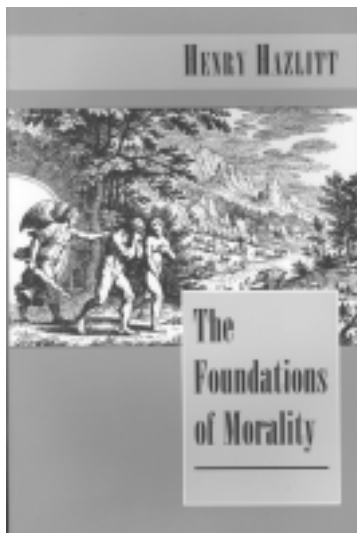
over the extent to which they would support each other’s violation of Moe’s right not to be robbed. George Washington rejected such compromises long ago when he asserted that Parliament “hath no more Right to put their hands into my Pocket, without my consent, than I have to put my hand into yours, for money.”

The day-to-day “work” of legislators and other politicians—finding ways to make theft work better by mutual agreement among the thieves—further undermines moral and ethical principles. If Curly wants to take X dollars from Moe, but Larry believes it is wrong to harm Moe, Larry would oppose doing so. But instead, in search of a majority, Curly looks for a way to compromise with Larry by paying him off with some of the booty (as with earmarks and other logrolling agreements), raising the price of Larry’s adherence to principle in hopes that he will become willing to compromise himself. And if Curly holds a powerful position (say, as a committee chairman or a member of an appropriations committee), he can keep raising the bribe offers until he attracts enough of the most cheaply corruptible legislators to pass the legislation. Moe, having been abused, then translates that into an excuse to participate in similar rip-offs of others, when the opportunity arises. All end up corrupted.

Charles Sumner once observed that “It is by compromise that human rights have been abandoned” and that “repose can only be found in everlasting principles.” Unfortunately, despite a great deal of lip service to the principles on which America was founded, we have compromised them to a large degree. Not only are the consequences for society adverse, but they erode ethical behavior in a way that is a creeping catastrophe. Leonard Read said that those “who believe that they should gratify their personal charitable instincts not with their own goods, but with goods extorted from others by the police force, who fail to see how thieving damages integrity, and who accept the practice of political plunder as right and honorable—to them ‘Thou shalt not steal’ must appear wrong in principle. . . .

[W]hen vast numbers of people surrender living by what they believe to be right, it follows that they must then live by what they believe to be wrong. No more destructive tendency can be imagined.”

Politicians who laud compromise are right in one sense. It is part of living successfully in society. However, they are also very wrong. The kinds of compromise that advance our well-being by improving social coordination are those that respect our property rights and the markets built on them. Unfortunately, those are not the compromises politicians have in mind. Instead, they wish to compromise exactly the rights from which we all benefit while posing as social benefactors. There is nothing noble about compromising people’s well-being and integrity. 



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