



## **Machiavelli: Liberal Taxing and Spending Breeds Instability, Culture of Enslavement**

Niccolò Machiavelli, the renowned Italian diplomat, philosopher, and writer of *The Prince* and *Discourses on Livy* is perhaps not the first name that comes to mind when discussing economics. However, his works contain invaluable insights into governance, power, and the economic stability of commonwealths. In particular, Machiavelli's warnings against national debt and the expansion of entitlement programs offer timeless lessons that resonate with contemporary economic challenges. Let's look into Machiavelli's observations of the past and how they shed light on the perils of present-day fiscal imprudence.



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### **Machiavelli's Insights on National Debt**

Machiavelli was a keen observer of statecraft and governance, and his writings emphasized the importance of maintaining financial stability as a cornerstone of effective rule. In *The Prince*, he admonishes rulers to avoid accumulating excessive debt. While the concept of national debt as we understand it today did not exist in Machiavelli's time, his principles remain highly relevant, particularly with the, to Machiavelli, unimaginable permutations of debt and financing that exist in our day and the pernicious power of central banks using fractional reserve banking and concomitant inflation to burden the people with perpetual poverty and a form of unrepresented taxation.

#### **The Burden of Debt:**

Machiavelli recognized that excessive debt could cripple a state's ability to govern effectively. He argued that a ruler should avoid taking on financial obligations that could lead to a never-ending cycle of interest payments and taxation. Today, we can draw parallels between Machiavelli's warnings and the challenges faced by nations grappling with burgeoning national debts. Unsustainable debt levels can lead to interest payments that divert resources away from essential public services.

In *The Prince*, Machiavelli warns of the ultimate crippled financial condition of any country where the leadership pursues a "liberal" spending policy:

Therefore, any one wishing to maintain among men the name of liberal is obliged to avoid no attribute of magnificence; so that a prince thus inclined will consume in such acts all his property, and will be compelled in the end, if he wish to maintain the name of liberal, to unduly weigh down his people, and tax them, and do everything he can to get money. This will soon make him odious to his subjects, and becoming poor he will be little valued by any one; thus, with his liberality, having offended many and rewarded few....

While this is undoubtedly true of monarchies (such as that described in *The Prince*), it is no less certain



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of commonwealths and republics. When the political leadership of a republic (or union of republics) sets out to spend themselves into crushing debt, the people end up bearing that burden through increased taxes and increasing inflation.

Of course, any prince or elected politician planning on pulling the country back from its prodigal policies will find that path, too, strewn with its own particular obstacles. As Machiavelli writes, “He is affected by the very first trouble and imperiled by whatever may be the first danger; recognizing this himself, and wishing to draw back from it, he runs at once into the reproach of being miserly.” Being stuck between a political rock and a hard place can only be avoided by resisting the temptation to tax and spend and by remaining faithful to one’s oath of office wherein he swore to uphold the Constitution.

The Impact on Sovereignty:

Machiavelli believed that the burden of debt could make a state vulnerable to external influences. When a nation owes substantial sums to foreign creditors, its sovereignty can be compromised. This vulnerability could result in undue pressure and concessions to satisfy creditors, potentially undermining the nation’s long-term interests.

In the context of resisting war and maintaining peace, Machiavelli describes the situation of certain Italian principalities that allowed themselves to be in debt to foreign powers, powers that often took advantage of the subordinate and dependent state of the principality. The conquering prince would make promises and show himself a benefit to the people, whereupon he “compelled the people to yield obedience to him.”

This should be a fear for every American whose wealth is enervated by taxation and inflation and transferred from the wage earner to the coffers of a foreign power who has extended loans to the United States.

In our case, the threat is closer and more deadly, as our political elite pursue a policy of welding our wealth and prosperity to a global economy, the implications of indebtedness increasingly critical, as nations seeking to be players in the New World Order must navigate international financial networks and geopolitical pressures.

## **Machiavelli on Entitlement Program Expansion**

In addition to his concerns about national debt, Machiavelli’s writings contain valuable lessons regarding the expansion of spending under any pretext, including entitlement programs, which resonate with contemporary debates on welfare and social spending.

The Erosion of Virtue:

As set out above, Machiavelli argued that a ruler who excessively expanded his country’s debt risked eroding the virtue and self-reliance of the citizenry. He believed that providing citizens with too many benefits could lead to a culture of dependency, where people no longer felt the need to work hard and take responsibility for their own lives. He wrote that the unchecked expansion of this financial policy would lead to the fact that those to whom the prince does not give this largesse “are few.”

In fact, this development was so dangerous that, in his *Discourses on Livy*, Machiavelli observes and warns that when politicians in a commonwealth begin buying the support of their people through the redistribution of wealth, the virtue of the people wanes, their laziness waxes, and, if not noticed and addressed in time, the people will lose their desire for liberty, preferring the ease of tyranny.

“For it is just as difficult and dangerous to try and free a people that wants to remain servile, as it is to



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enslave a people that wants to remain free,” Machiavelli explained.

And that’s the situation he spoke of in *The Prince*, in which the prince is actually opposed and the people resist him when he tries to impose fiscal austerity after years of liberally taxing and spending.

This notion raises questions about the unintended consequences of overly generous entitlement programs — as well as foreign aid, all of which is unconstitutional — in modern societies.

The relevant question, then, in light of Machiavelli’s observations from history and his warning to those who repeat it, is this: Has our own union of republics gone so far down the road of expansive and burdensome debt and unconstitutional entitlement spending that to put forth a plan to retrench back to a constitutionally and fiscally sound policy would be seen by the beneficiaries of the burden as “meanness,” and would cause riots and disorder?

Machiavelli counseled politicians in such positions to push forward, and “to hold of little account a reputation for being mean, for it is one of those vices which will enable him to govern.”

A prince, a president, a governor, or any other political officeholder will do well to remember this lesson and the difficulty of freeing a people that wants to remain enslaved, and never allow himself to be persuaded to tax and spend our country into peace.



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