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## SWEDENBORG IN THE REALM OF FINANCE

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Emanuel Swedenborg's extraordinary diversity of interests and activities provides Presidents of The Swedenborg Society with a wide range of subjects from which to choose the annual Presidential address. Today I have chosen a subject to which Swedenborg gave much thought and which I think has not previously been presented at meetings of this Society.

His excursions into financial matters were of two kinds; one, the question of commercial finance; and two, in the much wider range of national economic policy. An early example of the former is his Memorandum "Concerning the establishment of brineries in Sweden." This arose from his observations of the primitive methods then followed in Sweden for the production of salt from sea water. His practical genius showed how a greater quantity of salt could be produced of better quality and at a cheaper price. The Memorandum on the subject was written in 1717 when Swedenborg was 29 years old. It reads rather like the kind of document which might today be submitted by some bright young executive to a board of directors. It sets out the advantages and possible disadvantages. His process would produce salt of better quality and so attract sales at a satisfactory price and reduce the costs of production. To demonstrate his claims he recommends the construction of what today we would call a pilot plant.

There is no evidence that this Memorandum was ever sent to the King as was at first intended and it is thought that it might have been addressed to Polhem with whom Swedenborg was then associated. It is known that in June of that year, the King granted to Polhem a monopoly for establishing a brinery.

\* President's Address to the Annual Meeting of the The Swedenborg Society 17th May, 1972.

Later in the same year a similar paper was prepared on the manufacture of paper for which Sweden depended on supplies from overseas. Supplies were short because of the war in which Sweden was engaged. The financial aspect of interest is the suggestion, followed in many developing countries today, that there should be tax concessions for a number of years until the paper mills were firmly established.

Over a period of years Charles XII of Sweden had embroiled his country in war. The consequence, which still does not seem to be understood by modern governments, was the inevitable inflation. Token coins had been issued in great quantity; the result was a substantial falling off in imports and considerable increases in the prices of essential commodities, thus causing hardship to those on fixed incomes. Most industrial nations have had this experience and we all know the consequences. Swedenborg was concerned with the state of the economy and he felt that if the token coinage was not abolished the whole of the Kingdom's economy would suffer ruination. In 1719 he submitted to the "Deputation on Tokens" set-up to consider the problem, a "Proposal for the Redemption of Tokens and Paper Currency." He made an ingenious suggestion that the Tokens should be redeemed over a number of years by the issue of Certificates which would be paid in full at the end of twenty-five years, but repayment could be made in shorter periods if the claimant was willing to forego a proportion of the sum named in the Certificate. For instance, those willing to forego 75% of the nominal amount would receive the balance in two years. He points out that to withdraw all the Tokens without recompense would bring home and foreign trade to a standstill. Wisely he listed the possible objections to his proposals and proceeded to answer them. He points out, for example, the need for a flexible handling of the situation and that, if the original proposal were too rigid, then there would have to be some relaxation in the rate of redemption. Swedenborg concluded his paper with a list of sources of income which would provide the means for eventual repayment of the Certificates. His proposal was not accepted and in its place was the now familiar device of devaluating the currency, in this case by fifty per cent.

In 1722 Swedenborg published anonymously a pamphlet of some 20 pages with the curious title, "Inoffensive thoughts on the debasement and rise of Swedish Money." Unfortunately there

does not seem to be an English translation of this work but in *THE NEW PHILOSOPHY* of 1929 (Vol. xxxii, p. 121) there is a note on a review of this work by Anders Chydenius, a member of the Swedish Diet, who is thought to have been responsible for the work being republished in 1771. Swedenborg, in a letter of 7 November 1722 to Eric Benzelius, refers to having "printed something which concerns Swedish money, and certain reasons why it should not be lowered. It has made considerable stir here."

One gathers from Chydenius's commentary that the booklet referred to increases in the prices of commodities by 100 to 150 per cent (a situation familiar to Britain and some other industrial countries). Products rise in price more easily than they can be lowered! The theme seems to have been strongly to oppose a further devaluation of the currency which could only be harmful to the state and to its citizens.

At the conclusion of the war with Russia in 1722 Swedenborg directed his thought to overcoming the impoverishment brought about by that war and was concerned with the restoration of Sweden's prosperity. His interest was as a patriotic citizen and a holder of substantial interests in the iron industry. He therefore addressed to the Diet in 1723 a Memorandum which had as its theme that a country cannot be prosperous without foreign trade and a favorable balance of trade.

At the outset he states in simple and direct language the general proposition which reads:

The chief cause of a country's increase in wealth is the balance of commerce: if its imports are greater than a country can pay with its own products, it follows that it loses annually considerable sums by leaving them in the hands of foreign nations; besides, it diminishes the capital which it collected under more favorable circumstances and which it should hand down to posterity. As soon as a country, by an imprudent course, suddenly falls into poverty, it unavoidably sinks in the estimation of other nations, and they refuse any longer to trade with it, although in former times they may have enriched themselves by its wealth, and sucked out its substance and marrow. More serious consequences still may ensue; for unless a watchful eye is kept on the balance of a country's trade, a general want may be caused thereby which makes itself felt in the private circumstances of every one; fortunes and possessions in the land are diminished in value; no means are forthcoming for the support of the navy and army; the defense of the country becomes weak and impotent; the public servants must be satisfied with small salaries; Swedish manufacturers and agriculture, together with all the monies invested in them, depreciate in value; besides other contingencies which in such a case overtake the nobility and especially the business men, who must suffer most heavily from it.

He compares the value of Swedish imports and exports in the reign of Charles XI with that current in 1722, and urges the Diet to advance projects for the advantage of the general economy, and for reaching a favorable balance because, he writes, ". . . this is the foundation of the welfare of the individual and of all posterity." The Memorandum points out that Sweden had lost substantial revenues from territories conquered by her enemies and there was no other way of restoring this loss, than by putting commerce and the economy generally on a sound basis. He refers to the potential income that could be obtained from increased exports of iron and copper; the rebuilding of merchant shipping. There should be a review of all imports, many of which were now brought in by foreign vessels, to consider whether they were dispensable in which case their importation should be prohibited, and to enquire whether necessary imports could be obtained at prices more favorable than were then being paid. This paper was referred by the Diet to the Commerce Committee. No action was taken!

Rational evaluations of regulations and the application of common sense are too often ignored, and this was the outcome of Swedenborg's Memorandum in 1723 on the operation of the law which gave to the nobler metals preference over the production of inferior metals for the available resources necessary for their production. For example, resources for the production of silver took priority over copper and copper over iron. With simple logic Swedenborg pointed out that where there is a thin vein of silver or copper and where there are also rich sources of iron ore, an evaluation should be made of the costs of smelting and of the proceeds of sales of the finished product. The result is likely to show a substantial surplus on the sale of the inferior metal, and sufficient to pay for many times the quantity of silver that could be processed with the use of equivalent resources. He concludes his memorandum by stating that in adhering rigidly to the rules of priority based on "nobility," the country lost the means of purchasing from foreign merchants many tons of gold, eight or nine times in value greater than would result from working poor veins of "superior" metal.

In the same year Swedenborg followed this up with a Memorandum which was a natural sequel with a further value assessment relating to the production of steel in Sweden. At that time there was a considerable export of pig-iron from Sweden to Hol-

land whence it was transported to Sauderland and Liege for processing into steel and other products which were then sold to other countries at a profit to the merchant handling the business. Swedenborg pointed out that by establishing rolling-mills in Sweden, the considerable costs in transport and handling could be eliminated and Sweden would benefit materially from the export of the processed material. She would recover in foreign exchange not only the value of the labor and cost of processing but the profits which otherwise would go to foreign merchants.

Then followed a typically bureaucratic process of governments—true to-day as then! The Memorandum was read in the Business Committee of the Diet, which referred it to the joint deputation on Mining and Commerce which referred it to the Deputation on Mining. It remained dormant for two years until the King this time referred it to the joint Mining and Commerce Deputation by which it seems to have been filed away!

One would think that Swedenborg would have lost interest with so many of his recommendations being ignored by influential people whose self-interest might have been affected by them. It could not be lack of understanding because these memoranda are cogently argued and clearly expressed.

Again in 1723 there was a move in the Diet to exclude all foreign merchants from trade with Sweden, the intention being that all such business should be handled exclusively by Swedish merchants. This aroused Swedenborg's vigorous opposition for he deplored monopolies and the curtailment of economic freedom that such restrictive legislation would entail. He addressed a Memorandum to the Diet pointing out that when Charles XII introduced similar restrictions in 1699 there was a fall of a third in the price of Swedish iron. It then became apparent that the whole of the mining industry was in jeopardy. As this was the main basis of the Swedish economy, the regulation was not enforced but was not formally rejected for another twenty years. Swedenborg's warning went unheeded and Sweden's export trade came exclusively into the hands of a few merchants, and once again there was a substantial drop in the price of iron, which must have affected the whole economy.

The comments of a Finnish contemporary, Anders Chydenius, are interesting; he wrote:

when the proposal was made concerning foreign ships, a worthy member

of the Diet . . . set forth the matter with a clearness, power and zeal such as can be expected from an undaunted and honorable member of the Diet. He founds his thoughts on reason; he appeals to irresistible experience. . . . He paints the consequences of the prohibition with lively colours. . . . He shows that it would be a severe invasion of the citizen's rights . . . ; for industry, business and the state itself would thereby be destroyed and the property of the subject be a sacrifice for the profit of others."

Undaunted by previous rebuffs Swedenborg once again took up the defense of the iron industry when an instruction given to the College of Mines was read in the House of Nobles. This was to the effect that the College should be particularly solicitous of the copper and silver works as dealing with a nobler material than iron. Swedenborg repeated the arguments advanced on the previous occasion and re-inforced them with details showing the value in gold which had enriched the country by the working of the iron mines. He evaluated in terms of gold the contribution of the iron industry to the well-being of other parts of the economy besides substantial contributions in taxes. This did rouse a senior member of the Bergscollegium into denying that any action would be taken at the expense of the iron industry. By 1724 Swedenborg's contentions were vindicated when the yield of silver and copper had steadily decreased and the export of iron-ore brought in four-fifths of Sweden's income from exports.

By 1731 authority seems to have recognized the valuable contribution that Swedenborg could give in financial matters, when he was appointed a member of a Royal Finance Commission which had been established to devise means of financing the restitution of furnaces and forges destroyed by the Russian fleet in 1719. One proposal was to appropriate money in a reserve fund accumulated by the College of Mines for various contingencies. Swedenborg opposed this proposal and in a letter to the King, shows how the fund had been used and specifies the particular contingencies for which such a fund was necessary. We do not know the outcome but it is more than likely it was ignored.

By 1760 inflation was again rife in Sweden as the result of another war, this time with Prussia, and also an adverse trade balance to which the war must have largely contributed. The normal rate of exchange had been 35 Swedish Marks for one Dutch Riksdaler. By the end of 1760 the rate had increased to 75. In other words the purchasing power of Swedish money was less than half what it had been a few years earlier.

The process, as distinct from the basic cause which was war, that had accelerated the downfall of the currency, was the lending of money by the bank, taking fixed and movable property as security. The cash so advanced far exceeded the value of bullion held by the bank. It has to be remembered that unscrupulous men can enrich themselves (while the general community suffers hardship) by increasing inflation. Put simply, they borrow money to buy property and then when the value of money falls they have no difficulty in paying-off the original loans and so acquire property relatively cheaply. This was blatantly seen in Germany in 1922 and we are still seeing it in a more limited degree in England at the present time.

It is not surprising that Swedenborg (now occupied in his work as Revelator) vigorously opposed what he saw was going on and made recommendations to correct the position. In November 1760 he submitted a Memorandum to the House of Nobles in which he analyzed what was then happening in regard to the currency: he goes on to show the injuries inflicted on the country's commerce and the condition of the people. He points out that the situation had been reached largely as a result of the loans granted by the bank and the consequential proliferation of paper currency. Finally he gives ways of overcoming the difficulties—this was a series of actions which today we call a process of deflation; the withdrawal of facilities for further loans; the gradual repayment of existing loans; the gradual withdrawal of token currency; the retention in the country of coined currency and of the metal from which it was minted; the reduction of bank employees (this in a way which would commend itself to any modern organization seeking to avoid hardship for their staff); the abolition of a state office whose activities adversely affected the rate of exchange; and finally the distilling of spirits farmed out to the highest bidders (though he adds a rider that it would be better if the consumption of spirits were abolished altogether!).

There were too many powerful interested parties not to have these proposals vigorously opposed, but it must have had some bearing on the financial course of events. Some of the proposed counter measures were discussed argument by argument in a further Memorandum he submitted in December 1760.

One can wonder with Skogma "at the clearness and the originality with which the future seer treats a subject misunderstood by

so many practical men." The same can be said and for the same reason in 1972.

You will have noticed from this brief essay that Swedenborg always treats money as a means of exchange or a measure of value.

It is perhaps fitting to end with a quotation from the *Spiritual Diary*, 2450, of 30th June 1748.

Swedenborg writes, "I spoke with spirits concerning the possession of money without use. Certain spirits are of such a character derived from the life of the body, that they wish to possess money for money's sake, not for any other use. . . . When I have inquired, on account of what use, whether on account of garments, houses or food, they have said that on account of delight at the sight of monies, silver and gold, therefore on account of no use from these. Such a cupidity is called avarice, and is most base, because most gross; *for money is for the sake of use. . . .*"

## BEYOND THE LUMINIFEROUS ETHER

GREGORY L. BAKER \*

### INTRODUCTION

There is little doubt that the role of atmospheres and auras is central to the philosophy of both the scientific and theological writings of Emanuel Swedenborg. The entire process of creation and the consequent existence of spiritual and natural life clearly have their basis in the various spiritual and natural atmospheres.

In this essay we will be concerned with the questions and problems related to that atmosphere which is known as the ether; the medium of electromagnetism or light. An attempt will be made to give a summary of Swedenborg's ether as outlined in his *Principia* and later in the Writings. Following this description we will trace some of the main developments in the theory of the luminiferous ether; a theory which exerted a strong influence on the thinking of physical scientists for over 300 years. The final section of this essay will contain some relevant results of modern physical theory and some speculations which we hope are not completely idle.

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