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THE COVENANTAL IDEAL OF ECONOMIC GROWTH

by Gary North

When thou hast eaten and art full, then thou shalt bless the LORD thy God for the good land which he hath given thee. Beware that thou forget not the LORD thy God; in not keeping his commandments, and his judgments, and his statutes, which I command thee this day Lest when thou hast eaten and art full, and hast built goodly houses, and dwelt therein; And when thy herds and thy flocks multiply, and thy silver and thy gold is multiplied, and all that thou hast is multiplied; Then thine heart be lifted up, and thou forget the LORD thy God, which brought thee forth out of the land of Egypt, from the house of bondage; Who led thee through that great and terrible wilderness, wherein were fiery serpents, and scorpions, and drought, where there was no water; who brought thee forth water out of the rock of flint; Who fed thee in the wilderness with manna, which thy fathers knew not, that he might humble thee, and that he might prove thee, to do thee good at thy latter end; And thou say in thine heart, My power and the might of mine hand hath gotten me this wealth. But thou shalt remember the LORD thy God: for it is he that giveth thee power to get wealth, that he may establish his covenant which he sware unto thy fathers, as it is this day.

(Deut. 8:10-18)

The theocentric focus of this law is God as the gracious Provider. God demands thankfulness on the part of the recipients of His grace. The message here is clear: covenant-keepers can become spiritually forgetful as a direct result of the visible blessings of God. As a result of the gift, they forget the Giver. That covenant-breakers forget the God who gave them their blessings should come as no shock, but this warning was directed at covenant-keepers.

Because the sin of covenantal forgetfulness is universal, this law was not a seed law or land law. Those theologians who argue that this was exclusively a land law want to escape from its implications: God brings sanctions in history against those who forget Him. The problem is, when they argue this way, they strip the covenant of its predictability and therefore also its authority in history. Those who forget God are supposedly in no worse shape in history, and perhaps far better shape, than those who remember Him.

Social Theory

Forgetfulness is an aspect of point two of the biblical covenant model: hierarchy. The covenantally forgetful man forgets something quite specific: his complete dependence on the grace of God. Moses here listed the external blessings that

God had given them in the wilderness, a hostile place that would not sustain a large population. They had received water out of the rock and a daily supply of food. In the wilderness, they had been kept humble and subordinate by their reliance on God's miracles. God would soon give them blessings after they conquered the Promised Land. The transfer of inheritance from Canaan to Israel would be an aspect of God's comprehensive deliverance of the nation out of bondage and into freedom. Their freedom would initially be accompanied by a discontinuous increase in their external wealth: military victory. Then this wealth would multiply.

Miracles as Welfare

The move from Egypt to Canaan is a model of the move from slavery to freedom. The model of a free society is not Israel's miraculous wilderness experience, where God gave them manna and removed many burdens of entropy. The predictable miracles of the wilderness era were designed to humble them, not raise them up. The wilderness experience was not marked by economic growth but by economic stagnation and total dependence. They were not allowed to save extra portions of manna, which rotted (Ex. 16:20). On the move continually, they could not dig wells, plant crops, or build houses. At best, they may have been able to increase their herds, as nomads do (Num. 3:45; 20:4; 32:1). The wilderness experience was a means of teaching them that God acts in history to sustain His people. The wilderness economy with its regular miracles was not to become an ideal toward which covenant-keepers should strive. Israel longed for escape from the wilderness. It was God's curse on the exodus generation that they would die in the wilderness.

The wilderness economy was a welfare economy. The Israelites were supplied with basic necessities even though the people did not work. But they lacked variety. People without the ability to feed themselves were fed by God: same old diet. People without the ability to clothe themselves were clothed by God: same old fashions. Israel wandered aimlessly because the nation had refused to march into war. They were not fit to lead, and so they had to follow. They were welfare clients; they had no authority over the conditions of their existence. They took what was handed out to them. And like welfare clients generally, they constantly complained that their lifestyle just wasn't good enough (Num. 11). They had been unwilling to pay the price of freedom: conquest (Num. 14). God therefore cursed them to endure four decades of welfare economics. The only good thing about the wilderness welfare program was that it did not use the State as the agency of positive blessings. No one was coerced into paying for any-

one else's lifestyle. God used a series of miracles to sustain them all. There was no coercive program of wealth redistribution. Israel was a welfare society, not a welfare State.

The lure of the welfare State remains with responsibility-avoiding men in every era. It was this lure which attracted the crowds to Jesus. "Jesus answered them and said, Verily, verily, I say unto you, Ye seek me, not because ye saw the miracles, but because ye did eat of the loaves, and were filled" (John 6:26). They wanted a king who would feed them. They viewed Jesus as a potential candidate for king because He could multiply bread. They associated free food with political authority. He knew this, and He departed from them (John 6:11-15).

Men in their rebellion against God want to believe in a State that can heal them. They believe in **salvation by law**. They prefer to live under the authority of a messianic State, meaning a healer State, rather than under freedom. They want to escape the burdens of personal and family responsibility in this world of cursed scarcity. They want to live as children live, as recipients of bounty without a price tag. They are willing to sacrifice their liberty and the liberty of others in order to attain this goal.

One mark of spiritual immaturity is the quest for economic miracles: stones into bread. The price of this alchemical wealth is always the same: the worship of Satan. "And when the tempter came to him, he said, If thou be the Son of God, command that these stones be made bread. But he answered and said, It is written, Man shall not live by bread alone, but by every word that proceedeth out of the mouth of God" (Matt. 4:3-4). Modern welfare economics teaches that the State can provide such miracles through positive economic policy, i.e., by taking wealth from some and transferring it to others, either directly or through monetary inflation.

When Israel crossed into the Promised Land, the identifying marks of their wilderness subordination were removed by God: the manna and their permanent clothing. This annulment of the welfare economy was necessary for their spiritual maturation and their liberation. The marks of their subordination to God would henceforth be primarily confessional and ethical. The only food miracle that would remain in Israel would be the triple crop two years prior to a jubilee (Lev. 25:21). God promised to substitute a new means of Israel's preservation: economic growth. No longer would they be confined to manna and the same old clothing. Now they would be able to multiply their wealth. The zero-growth world of the welfare society would be replaced by the pro-growth world of covenantal remembrance.

The Power to Get Wealth

This passage includes this command: "But thou shalt remember the LORD thy God: for it is he that giveth thee power to get wealth, that he may establish his covenant which he sware unto thy fathers, as it is this day" (v. 18). This verse is one of the most important verses in the Bible regarding wealth. Covenantally speaking, it is the Bible's most important verse on the nature and purpose of wealth. It states that wealth is a means of God's establishment of His covenant.

The covenant is established by grace. God brings covenant-breakers under His covenant through adoption. Israel's adoption by God is the biblical model (Ezek. 16:6-13). Adoption takes place by God's declarative judicial act: God announces His lawful claim on His children. God told Moses: "And thou shalt say unto Pharaoh, Thus saith the LORD, Israel is my son, even my firstborn: And I say unto thee, Let my son go, that he may serve me: and if thou refuse to let him go, behold, I will slay thy son, even thy firstborn" (Ex. 4:22-23). God's claim superseded Pharaoh's false claim of ownership.

God's deliverance of Israel out of Egypt's bondage was His declaration of a superior claim of jurisdiction. Liberty under God was the alternative to servitude under Pharaoh.

God delivered Israel progressively out of bondage: out of Egypt, through the wilderness, and into Canaan. So, the judicial reality of Israel's definitive liberation by God was established visibly through Israel's progressive deliverance out of the burdens of Adam's curse. Israel survived in the wilderness through a series of miracles: the overcoming of scarcity (manna and water), the overcoming of entropy's curse (wear and tear), and the overcoming of their enemies in battle.

Why the need for progressive deliverance? Why not instant liberation? Moses gave them the answer: their need for humility. God had humbled them in order to prove them (vv. 2, 16). They had not been morally fit to inherit immediately after their deliverance from Egypt. The first generation was still a nation of slaves. They had the slave's mentality. They could not forget the onions of Egypt (Num. 11:5). They remembered onions and forgot God. This element of covenantal forgetfulness would remain Israel's great temptation until their return from the exile. They kept forgetting that God was the source of their blessings. They kept returning to idolatry.

Their power to get wealth in the Promised Land was analogous to their experience of miracles in the wilderness. The wilderness miracles were designed to strengthen their faith in a God who delivers His people in history and who fulfills His promises to His people in history. The problem was that the continuity of these miracles became a part of Israel's predictable environment. Israel began to take them for granted. Moses twice repeated the fact that God had humbled them in the wilderness (vv. 2, 16). Moses wanted them to understand that the threat of being humbled is always present with the promise of covenantal blessings in history. The wilderness miracles had been designed by God to remind Israel that God was their deliverer. Moses then extended this principle: wealth was to remind them that God is their deliverer.

God delivers men visibly through covenantal blessings. These blessings can be measured: "And when thy herds and thy flocks multiply, and thy silver and thy gold is multiplied, and all that thou hast is multiplied. . ." (v. 13). What is visible to all testifies to the existence of a covenantal realm of bondage and deliverance that is invisible. This is a manifestation of the covenantal principle of representation (point two): the visible testifies to the existence of the invisible. "For the invisible things of him from the creation of the world are clearly seen, being understood by the things that are made, even his eternal power and Godhead" (Rom. 1:20a). Jesus' miracles of healing were examples of this principle of representation. They authenticated His messianic office under God (Matt. 9:2-7).

The visible blessings of God in history are to remind men of the blessings of God in eternity. The visible curses of God in history are to remind men of the curses of God in eternity. But in Old Covenant Israel, there were no clear distinctions between eternal negative sanctions and eternal positive sanctions. Not until the last section of the Book of Daniel was the doctrine of the bodily resurrection clearly enunciated (Dan. 12:2-3). The grave seemed to cover all men equally. The distinction between paradise and hell is a New Testament doctrine. So, the focus of Old Covenant covenantal sanctions was historical.

Economic Growth

Moses enunciated here for the first time in recorded history the doctrine of permanent economic growth. In all other ancient societies, history was seen as cyclical. Men viewed history much as they viewed nature. The fruitfulness of

spring and summer would inevitably be overcome in the fall and winter. The idea of linear history – temporal beginning and end – was not believed because the covenant-breaking world rejected the cosmic judicial basis of linear history: creation, fall, redemption, and temporal consummation. The twin idols of nature and history were cyclical in covenant-breaking religion. Only the new idol of autonomous philosophy offered some possibility of linear development: the growth of knowledge. But this came late in ancient man's history. Philosophy appeared in Greece at about the time that Israel was sent into exile and ceased worshipping the carved idols of Canaan.

In Israel, the doctrine of compound economic growth (Deut. 8) preceded by 900 years the doctrine of the bodily resurrection (Dan. 12:2). Moses taught Israel that compound economic growth is possible through covenantal faithfulness. If Israel remembered God as the source of their wealth – an act of covenantal subordination – and continued to obey His law as a nation, then God would shower them with even more wealth. **This wealth was designed to confirm the covenant.** God's covenantal blessings and cursings had been visible in the wilderness, Moses reminded them. The curses were designed to humble them, he said. Then what of the prophesied blessings? Moses was equally clear: they were designed to confirm the covenant. God would continue to deal with Israel covenantally, which meant that they could expect visible blessings and visible cursings in terms of their own ethical response to these blessings. Do not forget who provided these blessings, Moses warned, when blessings multiply. These external blessings would not be covenantally neutral. They would be signs of the continuing covenantal bond between God and Israel.

Economic growth was an aspect of the covenant. **The presence of the covenant should be recognized in the compounding of wealth.** If visible blessings confirmed the covenant over time – a progressive fulfillment – then economic growth was in principle as open-ended as the covenant. The covenant is perpetual; so is the possibility of long-term economic growth. Economic growth would not automatically cease because nature is cyclical. Economic growth would compound through the seasons because the covenant transcends the seasons.

Sanctification is progressive. The blessings of God are supposed to compound because the visible confirmation of God's covenant in history is designed to reconfirm the terms of the covenant to each succeeding generation. Each generation is to experience positive feedback: blessings, remembering, obedience, blessings. This process of economic growth is what makes possible an ever-increasing inheritance. God's gracious kingdom grant is progressively appropriated by the heirs through the progressive confirmation of the covenant. The goal is the conquest of the whole earth through conversion and confirmation. "And Jesus came and spake unto them, saying, All power is given unto me in heaven and in earth. Go ye therefore, and teach all nations, baptizing them in the name of the Father, and of the Son, and of the Holy Ghost: Teaching them to observe all things whatsoever I have commanded you: and, lo, I am with you always, even unto the end of the world. Amen" (Matt. 28:18-20).

The Idea of Progress and Inheritance

The idea of economic growth parallels the idea of progress in history. Moses made it clear that the covenantal faithfulness of Israel was not a static ideal. **History is progressive because corporate sanctification is progressive.** It is not simply that history is linear; it is also progressive. This section of Deuteronomy is important because it sets forth the ideal of progress. God had delivered Israel from bondage. He had

led them through the wilderness. Now, in fulfillment of His promise to Abraham, He was about to lead them into the Promised Land. In the Promised Land, they could legitimately expect the multiplication of both their numbers and their wealth. "And when thy herds and thy flocks multiply, and thy silver and thy gold is multiplied, and all that thou hast is multiplied" (v. 13). This multiplication process is basic to the fulfillment of the dominion covenant given to Adam and Noah. But this process is at bottom covenantal, not autonomous. It is an aspect of God's positive historical sanctions in response to corporate covenantal faithfulness.

To sustain corporate progress, two ideas must be widespread in a culture: the idea of **linear history** and the idea of **progressive corporate sanctification**. When the idea of linear history is absent, men do not sustain hope in the future of corporate progress, for progress must inevitably be swallowed up in the retrogressive phase of the next historical cycle. The Great Reversal will overcome the hopes and dreams of all men. It will cut short every program of social improvement. The discontinuity of reversal will always overcome the continuity of progress. **In short, if history is not linear, the visible inheritance will eventually be destroyed.** The visible distinctions between covenant-breaking societies and covenant-keeping societies will disappear or be made operationally irrelevant by the magnitude of the Great Reversal. Such an outlook requires the following re-writing of the second commandment: "Thou shalt not bow down thyself to them, nor serve them: for I the LORD thy God am a jealous God, visiting the iniquity of the fathers upon the children unto the third and fourth generation of them that hate me, and doing the same unto them that love me, and keep my commandments."

When the idea of progressive corporate sanctification is absent, men do not sustain hope in either the supposed mechanism or the supposed organicism of progress. Progress is, at best, limited to an elite core of individuals: a matter of inner discipline, secret knowledge, capital accumulation (e.g., money-lending), or mystical retreat from history. When a society loses faith in corporate progress, its citizens lose a major incentive to forego consumption in the present for the sake of greater future income. Men become more present-oriented than those in societies that retain faith in corporate progress. They apply a higher rate of discount (interest) to future income. The rate of economic growth slows as the rate of saving drops. If there is no possibility of sustained covenantal progress based on a distinction between the earthly fate of the wicked vs. the earthly fate of the righteous, then the present consumption of capital is the recommended policy. Solomon summarized this view: "There is a vanity which is done upon the earth; that there be just men, unto whom it happeneth according to the work of the wicked; again, there be wicked men, to whom it happeneth according to the work of the righteous: I said that this also is vanity. Then I commended mirth, because a man hath no better thing under the sun, than to eat, and to drink, and to be merry: for that shall abide with him of his labour the days of his life, which God giveth him under the sun" (Eccl. 8:14-15). In short, **if there is no visible corporate sanctification, then the visible corporate inheritance will also be dissipated.**

The pagan ancient world did not have a doctrine of compound economic growth because it had no doctrine of sustainable corporate progress. J. B. Bury wrote in 1920 that the idea of progress requires faith in the inevitability of mankind's autonomous advancement. This advancement must not be the result of any outside intervention; it must be man's gift to man. It is not sufficient for the development of the idea of progress that men recognize the existence of advancement

in the past. The question is this: Must there be inevitable long-term advancement in the future? Belief in progress is an act of faith. Classical Greece did not possess this faith. "But, if some relative progress might be admitted, the general view of Greek philosophers was that they were living in a period of inevitable degeneration and decay – inevitable because it was prescribed by the nature of the universe." As Bury noted, Greek science "did little or nothing to transform the conditions of life or to open any vista into the future." What was true of Greek thought was equally true of every ancient society except Israel. The world was in the grip of an idea: cyclical history.

Science was stillborn in every society in which belief in cyclical history was dominant. Physicist and historian Stanley Jaki has presented a series of masterful expositions of the relationship between the Greeks' view of cyclical history and their failure to extend the science they discovered. The Christian ideal of progress made possible the advancement of Western science; it was not Renaissance science that launched the modern idea of progress.

It was Christianity, with its doctrine of creation, fall, redemption, and the Great Commission (Matt. 28:18–20), that brought together the Old Covenant idea of God's positive corporate sanctions and the New Covenant idea of world transformation. The twin doctrines of the bodily resurrection of Jesus Christ and His ascension to the right hand of God made possible the overcoming of the more cyclical Old Covenant pattern of man's ethical Fall, his ethical redemption by God, and a subsequent fall. Christ's resurrection and ascension were definitive historical acts of victory over the familiar cycle of fall-redemption-fall. "And if Christ be not raised, your faith is vain; ye are yet in your sins. Then they also which are fallen asleep in Christ are perished. If in this life only we have hope in Christ, we are of all men most miserable. But now is Christ risen from the dead, and become the firstfruits of them that slept" (I Cor. 15:17–20). Christ's bodily resurrection set forth the personal model; His bodily ascension set forth the civilizational model. The ascension proved His post-resurrection claim of total power over history (Matt. 28:18–20).

The Curse on the Quest for Autonomy

Moses foretold blessings if Israel obeyed God: an extension of the nation's wealth beyond the inheritance from Canaan. But if they rebelled, they could expect an analogous disinheritance: "And it shall be, if thou do at all forget the LORD thy God, and walk after other gods, and serve them, and worship them, I testify against you this day that ye shall surely perish. As the nations which the LORD destroyeth before your face, so shall ye perish; because ye would not be obedient unto the voice of the LORD your God" (vv. 19–20).

Here Moses raised the issue of false worship, which is always enmeshed in the quest for autonomy. While they would claim that the might of their hands had created their wealth, in fact they would worship false gods. They would claim autonomy, but they would practice idolatry. They would claim to

be in control, but in fact they would find themselves in moral bondage. God would then apply his corporate sanctions in history. They would be expelled from Canaan as surely as the Canaanites had been. Not all of the Canaanites were expelled by Israel (Josh. 15:63; cf. 17:12–13). Similarly, not all of the Israelites were taken into captivity by Nebuchadnezzar; he left the poorest people behind (II Ki. 24:14).

God promised to visit the same kinds of sins with the same negative sanctions. Inside the boundaries of Israel, false worship would no longer be tolerated. The Promised Land was under the covenant. The nation would visibly come under negative sanctions if they worshiped other gods.

So, long-term economic growth cannot be sustained by any society unless its members honor the terms of the law. This does not mean that only confessing nations can experience economic growth. It does mean that when prosperous nations grow lax about enforcing the biblical principles of civil law, they will find that their wealth dissipates. The blessings of external covenant-keeping will fade when men cease to honor the civil principles of biblical law: private property, freedom of exchange, restitution, honest weights and measures, and so on. But will men honor these principles even though they do not honor the God who established them? This question has not been resolved, since men learned the wealth formula of private property and limited civil government only since the late eighteenth century, in a Protestant nation.

Conclusion

Deuteronomy 8 sets forth the basis of compound economic growth. It ties sustained economic growth to corporate covenant-keeping. In doing so, it establishes eschatological limits to growth. In a finite world, nothing grows forever. Therefore, long-term economic growth as a predictable reward for corporate covenant-keeping becomes a testimony to the potential brevity of history. This brevity can be overcome through corporate covenant-breaking – the quest for autonomy – and God's predictable negative historical sanctions. Nevertheless, Deuteronomy 8 moved the discussion of time from the cosmos to the covenant. It moved from cosmically imposed cyclical history to God-imposed linear history. In doing so, this passage broke with ancient cosmology. Modern evolutionism's cosmology is equally incompatible with it.

Covenantal history is not subsumed under vast quantities of cosmic time; on the contrary, it is determinative of cosmic time. Positive covenant sanctions, not the second law of thermodynamics, determine the limits of history. Deuteronomy 8 establishes not merely the covenantal possibility of compound economic growth but the covenantal requirement of such growth. A failure of a society to achieve this is a sign of its covenant-breaking status, whether permanent or temporary.

The ideal of growth will never end in history. It is an eschatological corollary of history. Our task as covenant-keepers is to bring on the end of history by working to reach mankind's limits to growth.

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