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WHY BIBLICAL ECONOMICS IS IGNORED TODAY

PART 1

by Gary North

Let me present a hypothetical possibility. Let us assume that for some reason the leadership of the world decided that the principle by which they operate the existing world order, nation by nation, no longer functions. The leaders have lost faith in the system. The public has lost faith in the system. Everyone has lost faith in the system.

The leaders then come to pastors and other Christian leaders of various organizations and make the following proposition. They ask the Christians to send representatives to the governments of the world. These representatives will deal with the existing bureaucrats, educators, politicians, and assorted experts. The representatives will suggest biblical answers for real-world problems. The Christians will present systems for financing, administering, and operating all of the fundamental institutions of society.

What would happen? First and foremost, nothing would happen. The leaders of the existing world order would receive a series of blank stares from the Christians. The Christians would not believe that anyone had asked them advice. They would not know what to say. They would have no response whatsoever. They would simply stare blankly. They would be catatonic.

Am I exaggerating? No, I am not exaggerating. In the last twelve months, the Soviets and other Communist satellite countries have admitted the bankruptcy of the Communist system. This became public knowledge in late 1989, and is almost universally accepted today. We have seen the tearing down of the Berlin Wall. We have seen the collapse of faith in the Communist system, not only by Communist leaders, but even by former socialists in the West. About the only people who still believe in Communism today are tenured professors in American universities. The fact of the matter is we have seen a collapse of faith behind the Iron Curtain.

In recent months, Communist leaders have invited Westerners in to present the case for democracy and the free market. Even more astounding, Moscow State University has changed its Department of Atheism into a Department of Comparative Religion. Moscow State University has invited evangelical Christians to come and teach Christianity at the university. The problem is, the Christians are not responding. Despite the fact that they are guaranteed payment if they will come and teach, we have not been able to supply the various universities, for there are others besides Moscow State, with qualified, academically prepared professors.

It has come to my attention that Hungary is offering to bring American evangelicals into Hungary and pay them to teach English to Hungarians. The evangelicals will be required to teach only twenty hours a week, and the rest of their time will be allowed to be devoted to evangelism or setting up Christian organizations in Hungary. What has been the result of this offer? Nothing. We cannot get Chris-

tians who will go over to teach English in Hungary, because the Hungarians at least want the Christians to have a bachelor's degree in English. So far, they have not been able to hire anyone to come and teach.

What we are seeing is unprecedented in the history of the world. We are seeing the leaders of nations who had massive political power as recently as 36 months ago now declaring that their systems are totally bankrupt. They are appealing not simply to the West in general but to evangelical Christians to come in and tell them exactly what it is that they are supposed to do. They are literally begging Christians to come in and provide direction in areas of social, political and economic policy. What is the result? Nothing. The Christians are paralyzed. They know they have nothing to tell the Communists, and so they do not volunteer to staff the new positions.

The Ten Commandments

We had a situation in 1990 where a group of Russian officials had contacted some evangelicals to come to the Soviet Union and explain why the Ten Commandments seem to have produced enormous wealth in the West, but nothing comparable to this has ever been developed in the East. They wanted the professors to go into extreme detail to tell them why the Ten Commandments seem to be economically productive in Western societies.

The problem is, they went to Western academic Christians who teach at Christian colleges where the Ten Commandments have not been taught for at least a generation. Academic Christianity has not developed a whole body of historical and sociological material in the Christian West which would show precisely how it was that the Ten Commandments came into western law and transformed western institutions. This kind of scholarship is done only by atheists, liberals, and Jews. I have in mind the extremely important book by Harold Berman, *Law and Revolution*, published by Harvard University Press in 1983. It tells the story of the first of the six major legal revolutions in the West, the Papal revolution in the later part of the 11th century. Berman makes it very clear that it was a Christian revolution, and it influenced the whole legal structure of Western Europe. Why was it that a professor at Harvard University, a Jew, should have been the person to bring this information to the attention of the academic world? Why wasn't it a Christian who did this?

The opportunity that Christians in the West are being given in the 1990's is unique. We are literally being asked by atheists in atheist societies to come into their societies and tell them what it is that they ought to do. They want to know what kind of belief structure they should have, they want to know what Christianity has meant to the West, and they want to know how Biblical principles can be applied

to the bankrupt institutions of former Communist nations.

Nothing to Say

Yet in the midst of this unprecedented breakdown of the great rival of Christianity in the twentieth century - Communism - Christian academics have nothing to say. Christian ecclesiastical leaders have nothing to say. Officially, they have always been anti-Communist. They have complained against Marxism; they have complained against secular humanism; they have said the atheism of the Communist system would inevitably lead to a collapse of that system. Now that prophecy has been fulfilled. What do we find the Christians telling the Soviet leaders at this point? Nothing.

In effect, the Soviet leaders have called the bluff of Christians in the West. The Christians have always said that atheism is wrong and ultimately suicidal. Christians have maintained "The Bible has answers for all of life." So, the Communist leaders have now come to Christian academics and Christian ecclesiastical leaders and have asked for help. They have said, "All right, gentlemen, tell us the specific answers from the Bible that you say can be found in the Bible." What is the response of Christians in the West? Silence.

Communist economies are in a state of near collapse. They are not so collapsed that they have begun to cut off money to their military production facilities, of course. The Soviet Union is still putting out missiles, submarines, and all the rest of the implements of war. They may be desperate, but they are not that desperate. Nevertheless, the leaders and the people have lost faith in the productivity of socialist economic planning. It is this loss of faith which is the great opportunity. It is so great a loss that they realize that if they don't act fast to replace the failed economic structures of the present, they will face starvation, rioting, and perhaps even revolution. They are fighting for their survival, and they are asking Christians to come in and show them how to survive. They are willing to admit defeat, and even transform segments of their economy, in order to save their existing social order. And what, specifically, does the Church of the West have to say? Nothing.

The Irrationality of Socialism

In 1920, Ludwig von Mises, a non-practicing Jewish economist living in Austria, wrote an essay, "Economic Calculation in the Socialist Commonwealth." In this essay, Mises argued that socialist economic planning is inherently irrational. Why should this be? Because the socialist system does not allow the private ownership of the means of production. This means that there cannot be private markets for goods and services, especially capital goods. But without markets, there can be no rational pricing. Without rational prices, there can be no rational economic planning. If we don't know what something costs, we cannot use it in an economically effective manner. Therefore, Mises concluded, socialist economic planning is inherently irrational.

This argument has been repeated by many followers of Mises, such as F. A. Hayek, Wilhelm Röpke, Donald Lovie, and many others. But the argument was never taken seriously in the academic world. Then, in 1989, Soviet officials admitted that Communism was bankrupt. This meant that the Communist Party line had shifted. Faithful as always to shifts in the Communist Party line, American academic figures began abandoning economic Communism. We have even seen long time socialists admit that socialism apparently has failed. The best example of this in recent months is Robert Heilbroner. Professor Heilbroner is the author of the most widely read history of economic thought, *The Worldly Philosophers*, first published in 1953. The book has sold over 3 million copies. In an article that appeared in *The New Yorker* (September 10, 1990: "After

Communism,"), Heilbroner admitted "Mises was right."

This was an astounding public admission. He said that when he and his peers began their academic work in the 1930's, Mises' argument was familiar to many of them. But supposedly Mises had been refuted by a Polish Marxist economist by the name of Oscar Lange. Lange supposedly had proved that a socialist planning board could operate in terms of supply and demand. It was this argument that convinced them that Mises must be wrong. Therefore, they paid no further attention to Mises, especially since he was known to be a promoter of an unrestricted capitalist system of economics. It gave them comfort that some professional economist had refuted him. And yet, Heilbroner had to admit, Mises had been correct, and Lange was incorrect.

Heilbroner went on to say that it was not just Communism that collapsed in 1989; it was his own hope in the future of socialism. He realized the extent to which socialist economic planning was connected with Communist economic planning. In fact, although he did not say it in so many words, there is no difference in Communist economic planning and socialist economic planning. So, with the collapse of faith in Communist economic planning came his own collapse of faith in socialist economic planning. All that he could hope for now, he said, was that the new world environmental crisis would serve as a justification for at least continuing coordination of economic policy by national governments.

What this means is that we are seeing the breakdown of a century of confidence in socialism. It means that one of the fundamental beliefs of the secular humanist world, namely, that the State is capable of organizing economic production in both a fair and rational way, is no longer a viable religious faith. This is giving a tremendous opportunity to Christians to offer a self-consciously biblical alternative to a collapsing socialist, humanist, atheist worldview. So, what do the Christians offer in place of the collapsed socialist worldview? Nothing.

Their Jews or Ours?

Several years ago, Murray Rothbard, a brilliant economist, anarchist, and non-practicing Jew, made an observation. I had made an identical observation several years before, but I never said it in public, so I might as well give Rothbard full credit. He said: "The fate of Western civilization is going to be settled when we find out whether their Jews win the argument or our Jews do." That analysis is basically correct with respect to social and economic policies today. Some of the greatest economists of the 20th century had been Jews. There have been Jews on the left, such as Paul Samuelson; there have been Jews on the right, such as Ludwig Von Mises. Marx was a Jew. Milton Friedman is a Jew. Israel Kirzner is a Jew. Again and again, Jewish scholars have dominated the field of economics. Some of them, like Kirzner, have been Orthodox Jews, but not many. Most of these Jews are secular humanists in their worldview.

The fact of the matter is, we do not hear of leading Christian economists. We do not hear of leading Buddhist economists, Islamic economists, or Hindu economists. We hear over and over of Jewish leaders in the field of economics.

Jews have had a tremendous advantage in the late 20th century in the United States. They have been given access which they did not have before to the major private universities. They have been able to compete very well in the State universities. There has been a bargain made, implicit, between Jews and the universities. The universities told Jews, as they told everyone else, "You can come here and believe anything you want, but when you write your papers or take your oral exams, you will conform to

the worldview of the university." That worldview is secular and humanist. In other words, the universities of the world offered a bargain to members of all religions: give up your religious premises in the field of academics, and you can go as far as you want and as high as your talents will take you.

Jews had enormous talents. They also had a tremendous drive to get ahead, because for centuries they had not been allowed to enter most of the professions in the West. So, when humanists gave this tremendous opportunity to everyone in general, it was Jews in particular who took advantage of the offer. The result has been the dominance of Jews in the professions and in academics, but rarely if ever are they self-conscious about the connection between their Judaism and their particular field of study. If anything, this bargain has destroyed traditional Judaism. What we find, then, is that modern liberal Judaism, such as Reform Judaism, is just another variety of secular humanism, or nearly secular humanism, anyway. It is humanist. This is why Orthodox Jews don't really regard Reform Jews as being Jews. Yet the fact of the matter is, Reform Jews and non-practicing Jews have become dominant in many fields, and it is extremely noticeable in the field of economics.

Economists Who Are Christians

There is an organization of Christian economists. There are several hundred members of this organization, and most of them teach in state universities. What they teach is obvious from the summaries of their research papers. They teach exactly what Jews teach, atheists teach, and everyone else teaches: religiously "neutral" economics. There is no way to distinguish the methodology that the Christian economists use from the methodology used by virtually all other economists. The Christians are divided over policy, just as the other economists are. There are Keynesian economists and Friedmanite economists and eclectic Christian economists. But what there is not is Christian economics.

There is no attempt by these individuals to develop an explicitly Christian approach to economics. They may adopt certain research programs that are amenable to an analysis by someone holding vaguely conservative principles or vaguely moral principles. They may study, for example, the relationship between the economic progress of a particular Christian group in history, and compare that progress with some other group. This is the kind of question that a Christian would be more interested in getting answered, but it does not lead to a different approach methodologically from all of the other economists. The presumption is that a secular economist, after reading the Christian's article, will come to the same conclusions.

The difficulty with all this is that when the Soviet leaders come to the West and ask for specifically Christian approaches to the solution to their problems, they cannot find any academically competent Christians to give them answers. They do not find Christian sociologists, Christian economists, Christian political scientists, Christian anything. What they find is a lot of men who are professionally trained in the methodologies of secular humanism who claim also to be baptized Christians. What the Soviets will probably get is Keynesian economics and a gospel tract. Or they may get Friedmanite economics with a gospel tract. But what they will not get is biblical economics.

This means that the war for the minds of men in the field of economics is pretty much what Rothbard said it was: their Jews vs. our Jews. It is not Christians who have set the terms of the debate, so it is not Christians who will get the credit for the triumph of the free market in the formerly Communist nations which are abandoning Commu-

nism. Christ will not get the credit; at best, Adam Smith will get the credit. But Adam Smith was a Deist, and his theology was not in any sense Christian. His system was based on natural law theory. It was basically a non-Christian reflection of the Presbyterian worldview which had been dominant in Scotland a generation or two prior to the writing of *The Wealth of Nations*.

What we find is that right-wing Enlightenment thought is now challenging left-wing Enlightenment thought, but Christianity is not part of this debate. This has been true for over 200 years. In the late 18th century, Christianity ceased to be part of the political debate. The fact of the matter is, in the late 17th century, Christianity ceased to be part of the economic debate. The field of economics was the first academic discipline in Western society which was self consciously stripped of any Christian or moral influence. That legacy is still dominant today.

So, the Church is nearly paralyzed. It is paralyzed intellectually, and it is paralyzed organizationally. It is being given a tremendous opportunity to evangelize formerly Communist societies. This evangelism is not simply the familiar evangelism of modern pietism, what we might call John 3:16 evangelism, but an evangelism which is much closer to the evangelism of the prophets of the Old Testament. Yet even John 3:16 is more relevant than modern evangelism, for John 3:16 insists that God so loved the world. There is no sign in modern evangelism that God loves the world. What God loves in modern evangelism is a handful of sinners who will convert to faith in Jesus Christ. Christ then is going to return to remove them from the world. This evangelism is an evangelism based on the idea that God so hates the world that He will remove Christians from the presence of the world for seven consecutive years. This means that God is going to bring the Great Tribulation on the nations that are devoid of Christian faith and Christian influence.

"Bureaucrats for Jesus!"

When God returns with the Church in the world beyond the Great Tribulation, assuming that He does return with the Church, an assumption which the founders of dispensationalism did not assume, He is supposedly going to set up an international bureaucracy. Christians are going to staff that bureaucracy. They are going to be the resurrected saints, impervious to sin, sickness, and death, or they will be people converted to Christ during the Great Tribulation and immediately thereafter. In either case, it will be Christians who rule the world.

The question then is: **By what standard will Christians rule the world?** The answer to this question is never given by modern dispensational fundamentalists. They never say the terrible words, "biblical law." They do not tell us by what standard the Christians will rule the world after the Great Tribulation. They only say the Christians will rule the world. The presumption is, they will rule it as members of a gigantic international bureaucracy whose members take direct instructions from Jesus Christ. This is the kind of world which Moses was told by Jethro he had to abandon because the lines in front of his tent were so long that few could get justice (Ex. 18).

If I am exaggerating, then it is time for dispensational theologians to get down to brass tacks. It is time for them to spell out precisely how it is that the principles by which Jesus Christ will run His future international bureaucracy will be transferred to those who will run it for Him at each lower level. We need to find out exactly what principles they are, and how specifically they will be applied to real world situations. We need to know now what will be uniquely Christian about the reign of the saints beyond the Great Tribulation.

But we are never told this. If Christians who believe in the rule of the saints during the premillennial kingdom really took that kingdom seriously, they would begin to develop the principles of godly rule which will prevail in that realm beyond the Great Tribulation. The fact is, they have no interest in developing such manuals today. They apparently assume that everyone in the international bureaucracy will know intuitively – as a result of the direct intervention of the Holy Spirit – exactly what to do as members of Christ's international bureaucracy.

The problem with this worldview is that Christ specifically said that when He would leave the earth, He would send the Comforter. The Holy Spirit would be given to lead men into truth in history, and therefore, Jesus said, it was imperative that He leave, even though He was in His resurrected body. What this means is that it is the Holy Spirit, not the direct verbal revelation of Jesus Christ, which is basic to the systematic rule by the saints in history. It is the Holy Spirit, governed by the fundamental principles revealed in the Bible, that is the key to godly rule in history. But fundamentalists do not believe this. What they believe, apparently, is that both Christ and the Holy Spirit will rule side by side in the world beyond the Great Tribulation. This is never taught in Scripture, but apparently they believe it, for if they did not believe it, they would be busy today writing the manuals of government, economics, and society that will be in operation in the world beyond the Great Tribulation.

Why don't Christians do this? Because they do not want the responsibility of going to the Bible to develop and work out the fundamental principles of biblical faith in each of the realms of society that will be governed by the saints. They do not believe in the idea that over centuries, Christians will get wiser and wiser as a result of their self-discipline under God, and as a result of their mental discipline in terms of the principles revealed in the Bible.

This means that they think that there is going to be this radical separation between the world in which we live today and the world in which the saints will rule beyond the Great Tribulation. This radical discontinuity is not simply a discontinuity based on the fact that Jesus will sit on some human throne, probably in Jerusalem. This discontinuity is based on the idea that a completely different set of principles will be operating in the world beyond the Great Tribulation. Therefore, conclude modern fundamentalists, it does absolutely no good to go to the Bible in search of fundamental principles of rule today, nor does it do any good to develop implications of those principles in today's world. It is all useless they say, because Jesus is not reigning on His throne in Jerusalem.

Silence for Now

So, when the Soviet leaders and academicians come to the West and say, "Gentlemen, we need your guidance to reconstruct our societies," the modern Christian academic and the modern Christian Church leader has to remain silent. He knows in his heart that biblical principles will someday be the dominant principles of the world. He knows the saints beyond the Great Tribulation will rule in terms of these principles, but he is afraid to say in the present what these principles will be and how they might be worked out in real world situations. The Christian leader today does not want responsibility of this nature, and he will do anything to escape such responsibility. Thus, they

remain absolutely silent in the face of what has got to be one of the greatest evangelism opportunities in the history of the world. They have nothing to say specifically to the questions, very real-world questions, that are being asked by Soviet leaders in the Iron Curtain countries. So, it is what Rothbard said it was: "their Jews vs. our Jews."

I certainly hope that "our" Jews will win the debate. I would rather see Soviet society reconstructed by the thoughts and plans of Ludwig von Mises or Milton Friedman than I would see Soviet society reconstructed by the thoughts of Ron Sider or Tony Campolo. The problem is, we ought to be able to do better than any of these individuals. We ought to be able to deliver on a silver platter the principles by which Soviet society must be operated, and we ought to have systematic plans which would show them how to get from where they are today to where they ought to be tomorrow, next week, and a hundred years from now. But the Church of the West is not in the position to do any of this. The Church has, out of principle, remained silent on social and political issues for over two centuries. Now that silence has backfired. We have been asked by desperate atheists to speak prophetically to their situation, and all we can do is hand them a tract that says God loves them and has a wonderful plan for their life.

Christian Reconstruction

I would like to say at this point that there are over 300 Christian Reconstructionists with advanced academic degrees who are responding to this call. I would like to say it, but it would not be true. We do not have 30 Christian Reconstructionists who could respond to this call. Even if we had men holding the Ph.D. in the various fields, they would not be in a position financially or any other way to pull up stakes and go to the Soviet Union. The problem is, most of our people are of an age that they are in the midst of the career development that is appropriate in the second stage of a career. They are not very young people starting out, they are also not experienced people coming to the end of a career. They may be 35 or 40, they have young families, they may have parents to care for, and they are just getting rolling in their career. Thus, because the Christian Reconstruction movement is so new, we are not in a position to respond to this call. In 20 years, I pray, we will be in such a position, but it is not true yet.

One of the problems we have faced from the beginning of this movement almost two decades ago, is that we have had systematic opposition by pietists who control the seminaries and the denominations in which we have had any influence whatsoever. There has been a systematic blackout on our works, and there has been almost continual criticism and verbal innuendo behind our backs. The result is obvious; we do not have a dedicated staff of people in every field who are in a position to respond to the kind of call which the Curtain Iron Countries are now issuing. I wish we had such a small army, but we do not. To this extent the blackout has been successful. The purging of Reconstructionism out of the denominations and out of the academic institutions has been, to this extent, a successful operation. They have kept our people out of the institutions whenever possible, and when discovered inside the institutions, in most cases they have been fired. So, we are not in a position to respond to the call.

(to be continued)

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