

# BIBLICAL ECONOMICS TODAY

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## CRUSHING THE SERPENT'S STATISTICAL HEAD

There is no doubt that one of the characteristic features of the modern age is the lust for statistics. The business pages of our daily newspapers feature graphs, charts, and columns of figures. Investors wait breathlessly to obtain official word concerning the money supply, economic growth, interest rates, and on and on. To receive advance information is to receive a gift of profit. The U.S. government goes to great lengths, for example, to make certain that the Department of Agriculture's monthly statistical compilation is released to members of the press simultaneously. The window shades are drawn in the statistical section on the morning of the press release, and anyone coming into the building must remain inside until the figures are released. He is, figuratively speaking, a prisoner of the numbers.

Why all this concern with numbers? Do numbers rule our lives? Are people merely cogs in a great machine which is run exclusively by the numbers?

There are a handful of philosophers and scientists who say that mankind is indeed a determined species, as are all other species, without any independence from the natural realm. Man's feelings of independence and freedom are therefore illusions. Man is nothing more than a series of chemical reactions—matter in motion. He is not subordinate to a personal God or a personal anything. Man is simply a machine that dies. His reactions are produced by mechanical or chemical stimuli. Everything can be explained in terms of stimulus and response.

This sort of mechanistic philosophy has never been widely held. Most philosophers believe that men are partially the outcome of mechanical cause and effect, but also in part the product of human will, something which is not automatically produced by stimuli, but which can affect the external realm.

### The Autonomy of the Will

This seems sensible enough, but on the basis of human logic, there is no way to explain the apparent freedom of man and still defend the universal rule of cause and effect. If a humanist denies that human will—ethics, for example—is produced automatically and inescapably by external stimuli, then he has to argue that this realm of human freedom lies outside the realm of science. It is outside the realm of logic, too. It is so far outside that it cannot be connected to "this world," meaning the logical, scientific, cause-and-effect world.

But if we say this, then we can have little confidence that our ethical (or willful) decisions will, in fact, have any predictable effect on the external world. Ethics then becomes impotent. How can something (human will) which is completely outside logical cause and effect have any predictable, cause-and-effect influence on the external world? Once I lower the drawbridge of power (cause and effect) to enable

my will to influence the external world, I have thereby allowed the invading realm of mechanical causation to rob me of my freedom. My will becomes like the external, "scientific" world: determined.

This dualism of modern thought has been called the **nature/freedom** antinomy. It is inherent in all apostate philosophy. The autonomous **ideal of science** is seen to be in conflict with the autonomous **ideal of personality**. Either my mind is a determined cog in a great machine, or else it is completely outside that machine. If my mind is a determined cog, then how can my **will** be independent? Is my will different from my mind? Is my mind different from my brain? And isn't my brain a chemical substance which is governed by chemical laws? How can anyone logically argue that the human will, through the human mind, can operate independently of the human brain, which is chemically determined? Goodbye autonomy, and therefore goodbye humanistic freedom.

What we have found since the days of Immanuel Kant in the late eighteenth century is that philosophers have continued to run into a series of inescapable contradictions regarding the freedom of the will and the power of logic. Modern philosophers hold that man is determined (law), yet he isn't determined (chance). He is logical (thought), yet he is also irrational (emotion). He is the determined product of evolutionary cause and effect, yet he is also dominant over the processes of evolution (through science). Like man, the world is determined, yet it is also ruled by chance.

~~These dualisms are supposedly~~ reconciled through a process of dialectical reasoning. Man is seen as a composite of two irreconcilable forces: the force of freedom (**irrationalism**, chance, the unexplained and unexplainable) and the force of science (logic, mathematical predictability, and the explained and fully explainable). But it is never said just how the irreconcilable is reconciled in man. Humanists have no God other than man to reconcile these dilemmas, and man cannot explain just how he can reconcile them. A sovereign God need not tell man the solution to every intellectual problem; apparently, humanist philosophers think that they have this same prerogative.

### Predestination

These intellectual contradictions are humanistic variants of the old debate between Arminians and Calvinists, or even earlier, between **Augustinians** and **Pelagians**. Does man have free will, meaning **fully autonomous will**? Is he in the final analysis free of God's predestinating grace? Is he therefore autonomous in his decision to obey God or disobey God?

The same sorts of logical contradictions plague Christians who pursue these questions. **Paul's solution was sim-**

**pie: he forbade men to ask such questions.** Men who do ask them are compared to the pot which complains to the potter that it was made in a particular way (Romans 9:19-23). Instead of becoming embroiled and confused in the whirlpool of speculation, Paul simply says that God is absolutely sovereign and man is fully responsible. End of argument. It is simple—too simple for most theologians to accept in faith. Too simple for them to obey.

There are differences between the Christian variations of this debate over predestination and the non-Christian versions. The Christian version is based on a doctrine of cosmic **personalism**. God is seen as the Creator, sustainer, and judge of the world. Man as God's image reflects this ultimate personalism. In contrast, the humanist relies on the doctrine of cosmic evolution to defend his view of man. All things arose out of chance. The "big bang" which launched the universe was itself a random event. Biological mutations are random events. Everything is impersonal, meaningless, and blind—or was, until man the sovereign planner arrived on the scene.

Because man has knowledge, meaning scientific knowledge, the humanist proclaims that man can now direct the **processes of the universe. Man can take charge. Man, the product of directionless, purposeless evolutionary change, is now able to provide direction and purpose to evolutionary change. Man has transcended the evolutionary process.**

This sounds wonderful, until you sit and think about what is being said. **Who is this man** who now directs evolution? Mankind as a whole? But who can assure us that the conflicting, warring people who make up our species, mankind, will be capable of providing coherent leadership in this universe? How is "mankind" capable of giving meaning to the universe? Are not men at war with each other? Do all men have the wisdom and knowledge to discover the laws of evolution and then direct the evolutionary process? Of course not, the humanist acknowledges.

Conclusion: some **men possess this secret knowledge**, while the great masses of mankind do not. This is what virtually all modern evolutionary philosophers argue. They, the philosophers and scientists, possess the secret knowledge. They have the key to understanding. They, as an elite body of priests, know the universe's secret language (mathematics) and know the universe's secret code (atomic theory, genetic theory). But this raises a very important question. If the scientists and initiated politicians know the secrets of evolution, and the masses of men do not, then the claim that mankind can direct the evolutionary process means that **an elite must direct the evolutionary process, if this process is to be directed. The elite must somehow "represent" mankind.** (The doctrine of representation, which is the basis of covenant theology, and which explains how Adam in the garden represents all of mankind throughout history, and how Christ on the cross also represents man, is an inescapable concept.) We can find a few evolutionists who have been bold enough to proclaim this elitist faith openly, but the idea is implicit in almost every version of "man, the master of evolution." Man predestinates man, meaning the scientific elite predestinates the rest of us.

Therefore, as **Rushdoony** has remarked, the doctrine of predestination is an inescapable concept. It is never a question of "predestination vs. no predestination"; it is a question of whose predestination: God's or **man's**.

### Gnosticism: Salvation by Secret Knowledge

The ancient heresy of Gnosticism has confronted the church from the beginning. It is the essence of Satan's temptation. The tempter came to Eve and promised that she would receive knowledge which she did not yet have. This knowledge would make her like God. Implied in this temptation was the idea that God was keeping something from man, and that man had a right to it. All man had to do was

disobey God's word on this one point—the quest for knowledge—and the doorway to divinity, or near-divinity, would be opened.

The **gnostics** established a rival religion in the early centuries of the church. They promised **special illumination** to men who would embrace their initiatory rites and ascetic disciplines. If men would cease from pursuing earthly power, and instead concentrate on "the light within," they would at last escape the burden of **creaturehood**. They would transcend their status as creatures. They would become as God.

The **gnostics** promoted a **religion of escape**, an imported version of Eastern mysticism. They were not openly promoting a religion of power. They promoted escape from **creaturehood**, escape from the Roman Empire, and escape from responsibility to the world at large. Their religion was the escapist religion, not the power religion, and certainly not Christianity's dominion religion. But there was great appeal within the church for gnostic doctrines. The church fought against Gnosticism for centuries. Even today, we find distorted Christian theologies that are similar to Gnosticism. Where continual introspection and a "tarrying for the Spirit" characterize Christian faith, there a form of Gnosticism is ~~dominant. The Puritans fell into this heresy in the late seventeenth and early eighteenth centuries, and it destroyed Puritanism. The largest revivals in the past have all been undermined by this gnostic heresy.~~

Today there is a new Gnosticism in the land. This **gnosticism** also promises **salvation by secret knowledge**. The kind of knowledge that has been promoted as a way of salvation is scientific knowledge. Initiation into the elite is by means of mathematics, or science, or at the very least, social science. For over a century, scientific knowledge has been promoted as a tool of power. This shift away from ancient Gnosticism, with its introspection and escape from **creaturehood**, characterizes the modern version. Definite rites are still required for most members (college, graduate school, success in business, etc.), and, so is initiation (college fraternity, Masonic lodge, **World Affairs Council**, Council on Foreign Relations, Trilateral Commission, Aspen **Institute**, etc.). But the goal has shifted: **power**.

In recent years, the **so-called New Age movement** has **attempted a self-conscious fusion** of the old Gnosticism with the new Gnosticism. Their view is that it is possible to combine scientific knowledge and techniques with the ancient mystical quest for personal self-transcendence and **self-awareness**. The growing popularity of New Age thinking and New Age organizations indicates that people have become aware of the limits on impersonal science. They are trying to find some way to infuse meaning into power, transcendence into the mundane. They are trying to convert lead into gold—the lead of ordinary existence into the gold of higher consciousness.

### The Power of Numbers

Several forms of occultism rely heavily on the idea that numbers, in and of themselves, are the doorway to power. Numerology, Jewish **kabbalah**, and certain aspects of astrology are examples. If we just study the numbers, the relationships between numbers, and the secret meaning of numbers, we will unlock the secrets of the universe.

The biblical position is that God's personal revelation unlocks those secrets of the universe that are fit for man to unlock. Not all secrets are legitimate to unlock. The relationship between God's predestination and man's responsibility is one such forbidden lock, Paul tells us. Deuteronomy **29:29** says that God retains secret knowledge for Himself. Man is limited, a truth which the forbidden tree in the garden was supposed to convey to man. Nevertheless, man has the power to name and number the world. Names and numbers — classification systems and numbering systems — are tools of dominion, because God has constructed the universe in

terms of these categories. The computer revolution is only the latest of the wonders that have been made available to man. Yet the basis of the wonder of computers is simply the two-digit number system, 1 and 0. The **"stop-go,"** "yes-no" binary number has opened a door of knowledge which was undreamed of two generations ago, and which was unavailable to most men a decade ago.

There is power in the knowledge of numbers. Mathematics, a coherence of the mind, which has been described as essentially an art form, conveys knowledge of and power over nature. Nobel Prize-winning physicist Eugene Wigner has described this relationship as "The Unreasonable Effectiveness of Mathematics in the Natural Sciences" (*Communiqué Applied* Vol. X111, 1960, pp. 1-14). It is unreasonable to expect an art form of the mind to be so effective in ordering the universe. Nevertheless, it is effective. How? He does not say.

The biblical explanation is the **doctrine of creation**. God created the world, and He created man in His image. Man was given the dominion assignment, and God gave man his knowledge of mathematics so that man might fulfill the terms of this covenant. Man, in his ethical rebellion, has again and again begun to worship numbers, or use numbers as some sort of tool to "get in contact with a higher reality." This was true of the ancient Egyptians, whose creation which best reflected their intimate knowledge of astronomy, geography, and engineering was the great Cheops pyramid. Similarly, a millennium and a half later (or thereabouts), the secret initiatory society of the Pythagorean pursued **number magic**. They did not use geometry for scientific or technological purposes. It was number magic—Gnosticism.

The non-Christian who begins a study of numbers may do so simply out of curiosity. He may have a sort of artistic attraction for the intriguing relationships of the logic of numbers. Or he may be seeking occult power. Or he may be seeking scientific power. But the key question is this: What is the investigators theory of how numbers relate to each other, to the human mind, and to the external world? If he believes in cosmic **impersonalism**, then he will misuse the tool at his disposal. He will not apply his knowledge of numbers to the external world as a servant of God.

### Substitutes for Omniscience

If man is to become a god, then he must achieve knowledge of everything. He must know everything because in an autonomous universe, anything might possibly be related to anything else—at least momentarily. Something seemingly remote and unrelated may "cause" something else. Autonomous man needs to know **everything** in order to be absolutely certain about the cause and effect of **anything**.

**Exhaustive knowledge is not open to man.** Men know this. They know that there are distinct (and indistinct) limits on human knowledge. The twentieth century is noted for the rise or skepticism, relativism, and irrationalism, even in the **"hard"** sciences such as physics and chemistry. Heisenberg's principle of indeterminacy, not to mention quantum mechanics, was sufficient to undermine science's faith in the omniscience of man. The universe itself seems to be afflicted with irrational characteristics.

Thus, man is always searching for **short-cuts to comprehensive knowledge**. The occultist reads tea leaves, consults astrological tables, and uses dozens of other forms of "divination." (There is nothing divine about these methods.) The scientist creates charts of the molecules (the periodic table of the elements), substitutes certain kinds of electrical signals for what he presumes is going on "out there" or "in there," takes mathematically "random" (he hopes) samples of certain kinds of events, applies mathematical formulas to these samples in order to discover the "relevant" regularities, constructs "as if" mental universes in order to compare them with historical events, and on and on. In short,

man seeks the equivalent of exhaustive knowledge through **knowledge substitutes**. He thinks **analogically**. He draws conclusions from evidence that he has substituted for "the real thing." (In fact, Immanuel Kant taught modern man that "the real thing"—the things-in-themselves—cannot ever be known by man. Science is inescapably based on substitutes for the "ultimate stuff of nature.")

The biblical position is that man is to think analogically to God. **Men are to "think Gods thoughts after Him."** But rebellious men deny God, and also deny that God has revealed Himself to men in terms of logic and symbolic forms that reveal fixed principles to man. If God were to do this, they conclude, all men would be ethically responsible to God to obey Him. They will do anything or think anything in order to deny this. Yet pagan man cannot escape analogical reasoning. He therefore substitutes other kinds of knowledge for the revelation that God has given to mankind. **Covenant-breaking men attempt to think analogically to something other than God.**

### The Law of Large Numbers

The science of statistics is remarkable. There are scientific techniques for **surveying and "making sense"** out of the seemingly incoherent jumble of numerical relationships that govern (or fail to govern) the universe, thereby enabling the surveyor to draw intelligent conclusions about the "real" relationships that underlie the numerical relationships. The statistician promises (within specified mathematical limits) that if we gather information from a large enough sample, that this sample can be shown to represent a much larger number of relationships in the general population. This is called the law of large numbers.

Here is the statistician's statement of faith: "What goes on with a small **but** random sample of events **generally goes on** in a much larger population, **to one degree or other.**" The trick is to locate the smallest sample that will be **sufficiently representative of the larger population. (Once again, we are back to the doctrine of representation.)**

The best known (and one of the most useful) use of the "law of large numbers" is insurance. The actuaries know that people in a region will suffer losses, or death, in mathematically calculable numbers. Statisticians can forecast the death rate of men in a specific age bracket for the next year, or decade, barring unforeseen widespread calamities, called "acts of God"—war, plague, etc. If the statisticians could not forecast these classes of events, it would not be economically possible to insure men against such events. The individual event is not foreseen—"this man will die on September 3 as a result of an automobile accident at a particular location"—but the class of events is foreseen: "Out of 1,000 men of a specific age bracket who are selected at random, a specific number who smoke cigarettes will die next year." It goes beyond this: "Of a larger group of men who apply for insurance (assuming that these men apply randomly), a company can make a profit by charging each of them a specific insurance premium, if a particular rate of return on the company's investments is achieved."

Businessmen can use the God-given law of large numbers to discover these God-given regularities of life. But there are problems involved in using the law of large numbers. How do we know which group of numbers is truly representative of the larger events? How do we know that the regularities that we suppose to exist will not soon change? How do we know that the laws of mathematics will not change—either in principle ("New Age, New World, New Math!"), or in the specific logic that we now think operates in this particular area of life (new formula)? In short, how do we know that the world between our ears—or at least between the ears of our mathematicians—will still have a working relationship with the external events of life?

### Competitive Markets

There are regularities in life, for God is the God of order. **We** live in a **covenantal**, law-governed universe. God has provided us with tools of dominion, and mathematics is one of them.

But mathematics is not enough. **We** also need to know what kind of **economic, social, political, and legal structure** God requires for the proper functioning of the law of large numbers. Men seek to discover economic regularities, but the minds conducting the search are influenced by the kind of economic world men live in. The Incentives differ from one economic system to another. The incentives to gather and transmit accurate data vary. The incentives to do competent work in interpreting the data **vary**. The incentives to restructure a business or a method of investigating vary. It is not just a matter of knowledge of what to do; it is also a matter of providing meaningful, **cost-effective rewards and punishments** to do what the numbers say needs to be done.

The free market order, with its system of profit and loss, is a superb social institution for the transmission of useful, reliable knowledge. Profit and loss provide guidelines concerning how much to **spend to collect data, how fast to respond** to new data, where to collect it, which questions to ask before **sorting** it, and so forth. **Market incentives exist for the proper use of data. In fact, the profit system itself will tend (though imperfectly) to elevate the consumer-satisfying data user from the consumer-alienating data user.**

It is a mistake to assume that the law of large numbers can be used equally successfully by socialist bureaucrats. These bureaucrats are protected from their own **failures** by all sorts of government guarantees. They are also prohibited from profiting fully from improvements in interpreting the data. The free market entrepreneur therefore has greater fear and greater rewards to contend with than the bureaucrat does. Thus, the information he collects will be used to satisfy consumers in a more direct fashion. The market will steadily remove capital from those who make mistakes in using the data, or who ask the wrong questions of the data, or who collect inaccurate data.

The difference centers around the **type of ownership involved**. The system of incentives differs. No entrepreneur tries to forecast **everything**. It would be too expensive to attempt such a thing. He tries to forecast only those events that will affect his **part** of the market in the future. He is restrained by fear of losses from pursuing the demonic quest of omniscience. He knows his limitations as a creature.

### Socialist Planning

In contrast, the socialist planner is part of a **God-ordained monopoly**—the monopoly of coercion which is granted by God to civil government. If the civil government is seen by men as an agent of salvation, then the planner must somehow learn nearly everything. He uses tax revenues to gather data. He uses compulsion to gather data. He collects data from many sources. Without data, he is obviously blind. **The more the State is asked to do for man, the more dependent on statistical data it becomes.**

But the State cannot ensure accurate data. People lie to the statistics-collectors (especially tax collectors). Furthermore, the statisticians do not know which data should be gathered first. They do not know all the details the planners need to know first, and the planners are not sure either. Planners do **not** know which data are available. Also, those

who interpret the data are **similarly** confused. But the State, because men increasingly view it as an agent of salvation — a substitute for God— is pressured to become omniscient, for at any time it may be **called** upon to solve any problem.

**Since anything may conceivably relate to anything else, the central planner is required to understand everything.**

Obviously, this is an impossible goal. So the planners must substitute something else for lack of omniscience. What they substitute is force. They draw up five-year plans, and then they **compel** people to meet the plan's details. But people resist. So the State must make greater expenditures to **enforce the plan**. Because planners are attempting to imitate God, they want both omniscience and omnipotence. Statistical information is one tool of suppression. Without statistics, there is no way that central planners could even contemplate the **exercise of God-like** authority. This explains the bureaucratic lust for statistics.

Today, the governments of the world attempt to number everything. As in Jesus' day, the rulers of the empires demand taxes and the census. Everything is premised on the availability of accurate data. And everything is falling apart.

### Conclusion

Satan has great knowledge. He is not omniscient, but **he** has tremendous knowledge. This is not enough. To control his topdown bureaucracy, he needs perfect knowledge and perfect power. But he is not God, so he makes substitutions: statistics for omniscience, and terror for omnipotence. He rules as an imitation god, and so do his earthly followers. Their means of control are **taxes, statistics, and terror**.

Socialism is satanic. It proclaims a near-divine State. It proclaims the ability of planners to imitate God's ability to establish and bring to pass a plan. But their attempt **will** fail, and is visibly failing. God crushed the head of the serpent at **Calvary**. Satan cannot successfully co-ordinate his troops. They rebel against him, just as he rebels against God. His earthly legion of statistics-gatherers cannot give him what he needs: omniscience. **The more powerful the planners attempt to become, the more blind they become, and the less they can achieve their goals.** The public rebels, lies, and tries to escape both the taxes and the controls. The top-down planning system collapses into anarchy—an anarchy held together only by the invisible free market (**black markets**). It is this market which has held together the Soviet economy since 1917.

God will not be imitated. (We imitate Jesus Christ in His perfect humanity, not in His divinity.) God will not be mocked, either. Men must think God's thoughts after Him, and respect their own limitations, or else **He** will bring them under judgment. The serpent's head was crushed at Calvary. It will be finally crushed on judgment day. The failure of socialism to "deliver the goods" indicates that it is being progressively crushed today. **Socialist economic calculation produces economically irrational results.** This was Ludwig von **Mises'** great insight as far back as 1920, and it is still valid today.

Satan's limited knowledge means that when Christians really begin to take the offensive against Satan's kingdom, they will create unimaginably confusing problems for him. As a commander, he must co-ordinate and command on the basis of comprehensive knowledge. He will be progressively swamped by **"noise,"** and by bad news. His head is crushed; Christ's is not. **Satan's followers follow a commander who is going blind; Christians do not.**