

# TENTMAKERS

## TITHING AND SUBSTITUTION

by Garv North

Economic underdevelopment has been one of the chief concerns of economic theorists since the end of World War II. It has also been a major Intellectual defense of the so-called foreign aid programs, which are schemes involving State-to-State transfers of wealth. Hundreds of billions of dollars have been extracted from American taxpayers and sent to foreign nations in order to prop up money-losing socialist planning operations. The assumption undergirding such programs is that these nations require central economic planning in order for them to catapult into self-sustained economic growth.

The irony here is that the nations that experienced the initial "economic take-off" in the nineteenth century, especially Great Britain, did so without any central economic planning. There were State-chartered monopolies in the late eighteenth century, but Adam Smith and his disciples preached against them, and after 1845 the bulk of them were removed. For a generation, 1845-75, Great Britain had almost no economic controls over production, and the English experienced the most rapid improvement in living conditions in history up to that time. It had taken thirteen years of pamphleteering by the Anti-Corn-Law League, 1832-46, to achieve this free trade interlude. (See Archibald Prentice, *History of the Anti-Corn-Law League*, 2 vols., 1853, reprinted in 1968 by Reprints of Economic Classics, Augustus Kelley Publisher.)

What had produced this "compound growth"? The main cause was freedom, or as Smith called it, the principles of "natural liberty." Still, freedom is insufficient to produce economic growth. There must also be future-oriented entrepreneurs and savers who are willing to bear the pain of uncertainty and to sacrifice present enjoyment of capital consumption for the sake of capital accumulation. It may not take money to make money in every instance. A brilliant insight or years of labor may suffice. But it always takes present goods to produce future goods.

### The Cosmology of Thrift

John Wesley's famous sermon, "The Use of Money," presents a three-point program of self-improvement which shaped the thinking of thousands of Methodist laymen in the formative years of the Industrial Revolution in Britain. "Gain all you can, save all you can, give all you can," is a formula for long-term success if there ever was one. (See the reprint in *Christianity and Civilization* 3, "Tactics of Christian Resistance," available from I.C. E. for \$14.95.) The **reinvestment** of profits and interest is the heart and soul of long-term capital formation.

It is not the rich who can finance such a civilization-wide expansion. It has to be the middle classes, or where they represent only a small portion of the population, then the lower classes must do it. The capital of the rich maybe concentrated in a handful of industries, but without the self-discipline of the large mass of citizens, there is not enough

capital available to finance the ideas and visions of tens of thousands of inventors, entrepreneurs, and small businessmen who have the greatest effect, in the aggregate, on the daily lives of the masses. In other words, capital formation is a bootstrap operation. It has to be undertaken by representatives of the class which is most likely to benefit from economic growth, the lower classes.

Teaching such a doctrine of self-improvement is by nature a religious function. It offers the vision of a universe of cause and effect. The doctrine of growth says to men, "If you save, you will have a greater opportunity of improving your conditions than if you gamble." To believe such a doctrine, men need a vision of the future which is not dominated by either fate or chance. When the Roman Empire adopted the latter view of social order, the Empire disintegrated. The acceptance of the doctrine of impersonal fate or impersonal chance, Cochrane wrote, "involved a picture of nature in terms of sheer fortuity or (alternatively) of inexorable fate. By doing so, it helped to provoke an increasingly frantic passion for some means of escape. This passion was to find expression in various types of supernaturalism, in which East and West joined hands to produce the most grotesque cosmologies as a basis for ethical systems not less grotesque" (Charles Norris Cochrane, *Christianity and Classical Culture*, 1944, p. 159.)

The desire to escape from the clutches of poverty is healthy. The desire to escape the world of fate or chance is also healthy. But the question of **means** is crucial. How do we escape? Wesley pointed to personal faith in Jesus Christ and personal economic self-discipline. The means of escape was, he believed, essentially individualistic. But he also called for church attendance, church-related self-help societies, church-related educational organizations, and **covenantal** reinforcement of the future-orientation of the people of God. In short, he called for the tithe. A tithe-supported institution, the church, was seen by Wesley as one of the means of escaping the degradation of poverty. Poverty is the enemy; ethics is the means of escape; and the tithe produces the institutional support necessary to a program of self-reinforcing compound growth over generations.

### The Return on Invested Capital

The tithe, in other words, is as basic to growth as reinvested earnings. Why? Because the tithe belongs to God. If God's people refuse to return ten percent (after taxes) of earnings to the One who supplies the original capital base, then they will not deal honestly in the long run with earthly suppliers of capital. They will become poor risks. Men will not want to make loans available to new businesses, or want to become "silent" partners in enterprises established by Christians. If men do not fear God enough to pay Him **his** return on revested capital, will they fear men and pay them their return on invested capital? If

they break a covenant with God, Will they not also break a contract with men? If God must haul them into the courts of historical justice, will not Investors have to haul God's people into courts, too? Is it not less risky to invest in the enterprises of other men with commitments to other covenants? Is it not easier to consume capital rather than invest it, if covenant-breakers dominate the civilization?

What we find in the underdeveloped nations are a series of religious orders that are at war with God. Envy dominates social arrangements (Helmut Schoeck, *Envy*, 1970.) Third World "poverts" have not consented to live under God's covenant. They have long lived under tribal tyrannies governed by animist and demonic witch doctors and local monarchs. Since 1960, in reaction against the colonial powers, the new tribal elites adopted modern humanism's substitute for both animism and Christianity, the Darwinian social order of the central planning elite. They have imposed domestic colonialism in place of foreign colonialism (The voluminous writings of British economist P. T. Bauer provide both the historical background and the economic results of this substitution: minority bureaucratic prosperity resting on massive imposed poverty.)

The civilization of the West once rested on a vision of cause and effect which was providential and Christian. The secularization of this vision which began in the late sixteenth century and has proceeded ever since has steadily substituted new concepts of cause and effect. Ultimately, as Cornelius Van Til has shown, humanists have tried unsuccessfully to fuse irrationalism and rationalism, chaos and mechanical order, into a workable world-and-life view, and therefore into a workable social order. This view is disintegrating just as surely as Rome's did two millennia ago. So is the social order based on such a viewpoint.

### Substituting a New Social Order

In Rome, as Cochrane shows, the Christian worldview sporadically but progressively replaced the Classical worldview. Providence replaced fate or chance in the thinking of both scholars and laymen. God's personal sustaining of the universe became the presupposition of the social order. Christians therefore eventually took over the leadership of Rome, especially after Constantine ascended to power in the early fourth century. Christian institutions either replaced or restructured the existing institutions of the older Classical civilization. Christians captured the land of Caesar, just as the Hebrews had captured the land of Canaan.

What must be understood is that this social and political process of **conquest by substitution and infiltration** has been adopted by the humanists in the West since the seventeenth century. Whenever possible, however, the humanists have substituted the doctrine of taxation and State-created monopoly for the doctrine of self-financing. They have sought to persuade voters and leaders of the necessity of reinvestment, but not voluntary reinvestment based on performance in a competitive market. Instead, they have preached the doctrine of **bureaucratic providentialism**. It is the State, with its power to restructure society from the top down, which has been the focus of their program of conquest. They have always attempted to use the confiscated tax money of the Christians to finance the increase in power of the central planners. They have recognized that **reconstruction must be financed**, but they much prefer to make that financing compulsory.

Until very recently, Christians have not been taught that reconstruction—the process of institutional substitution—is a moral imperative. They have not been taught that present sacrifice is an inescapable aspect of future conquest. They have not been taught the principle of reinvestment of earnings. They have not been taught the principle of compound growth.

They have also not been taught the principle of the tithe

### The Theology of Retreat

Christians in this century have preferred to substitute a different theology: the theology of retreat. A social order based on the theology of retreat need not be financed by the full ten percent required by God's law. It rests on the assumption of **neutrality**. It assumes that non-Christian institutions, especially the State, can take care of financing the vast majority of social obligations. Christianity is limited to the sanctuary and the hearth, and to finance the sanctuary, something well under ten percent of income is required.

The abandonment of tithing has been the financial implication of a vision of reduced responsibility outside the sanctuary. In effect, what F. N. Lee has called **ecclesiocentrism** has led to a truncated vision of the institutional church and its responsibilities. By limiting the responsibilities of the church and Christian charitable institutions, the churchmen have succeeded in limiting their own influence in the lives of their parishioners. Instead of making the church central to culture, they have made the church central to nothing.

As the self-imposed irrelevance of the church grew in response to the theologically imposed narrowing of its responsibilities, the income of the churches shrank in comparison to the tax revenues generated by the State. The State, newly interpreted as civilization's most relevant institution, demanded its two-fold to even five-fold tithe, and citizens responded. The churches remained silent in the face of this theological and institutional substitution, for they could not fight something with nothing: the theology of statist relevance vs. the theology of ecclesiastical retreat, the economics of compulsory confiscation vs. the economics of "transcending" the tithe.

The god of this age collected its tithe, for it promised to deliver the goods. That it has delivered "bads" rather than goods was predictable, but the tithe to the State has not thereby been reduced. It has been increased. The **failed god demands increased sacrifices**. "More money for more goods" has been the cry. "More money to reduce the 'bads.'" More money for schools, more money for the courts, more money for everything.

### Conclusion

He who is sovereign collects his return on invested capital. God, who is truly sovereign, has limited the open, public collection of his rent by His monopoly, the institutional church, to ten percent. By implication, all levels of the other institutional monopoly, the State, should not collect more than a total of ten percent, and Samuel warned that the exaction of a full ten percent by the king would constitute a curse (1 Sam. 8).

The increase of the levels of taxation has been a concomitant of the demise of the tithe. Preachers who neglect to preach the tithe are, by their silence, abetting the increase of the visible sovereignty of the State. You cannot fight something with nothing. You cannot fight the theology of humanistic statism without simultaneously fighting for the tithe. You cannot finance the reconstruction of the republic with the droppings from the tables of Christians. You cannot substitute a new social order without financing it. You cannot replace illegitimate taxation without calling for legitimate taxation (under ten percent of income) coupled with God's legitimate return on invested capital, the tithe. You cannot replace the squandering of confiscated resources (the State's version of "pay as you go" socialism) without substituting a philosophy of reinvestment of earnings. A culture which will not tithe also will not save. The tithe is inescapable; the issue is: Which agency will collect it, and what percentage of income will it be?