

THE TRINITY REVIEW

For though we walk in the flesh, we do not war according to the flesh, for the weapons of our warfare [are] not fleshly but mighty in God for pulling down strongholds, casting down arguments and every high thing that exalts itself against the knowledge of God, bringing every thought into captivity to the obedience of Christ. And they will be ready to punish all disobedience, when your obedience is fulfilled. (2 Corinthians 10:3-6)

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Email: tjtrinityfound@aol.com Website: www.trinityfoundation.org Telephone: 423.743.0199 Fax: 423.743.2005

Protestant Hostility toward Capitalism

by Ronald Cooper

Editor's note: Dr. Ronald L. Cooper has lectured for The Trinity Foundation on the topics of "The Failure of Secular Economic Policy" and "Christian Economists: Do They Know What They Are Doing?" which can be downloaded from our website in Collection 1: Introduction to Christian Economics. With Washington bent on destroying our economy by constant intervention and regulation, we need more voices supporting the Biblical view of economics – laissez-faire capitalism. Instead, Protestants are attacking it.

Pastors, seminary professors, and other "Protestant" writers have spilled plenty of ink to display their hostility toward capitalism. Much of their antipathy is based on supposed ethical grounds that capitalism promotes greed, selfishness, monopoly, and oppression of the poor. Even most evangelical conservatives supposedly defending free-market capitalism say there are times when government intervention is needed to promote economic stability and a more equal distribution of income and wealth. In a survey of Protestant and Roman Catholic seminaries, John Green and Kevin Schmiesing noted that about forty percent of responders support minimum salaries (wages) and forced income redistribution by government, *i.e.* fascism. Most of those calling for extensive government regulation were concentrated in mainline Protestant seminaries.¹ What is lacking in most of these discussions and criticisms is an ethically neutral definition of capitalism. Beattina Greaves gives such a definition - capitalism is "the economic system based on private property, including private ownership of the factors of production."²

Craig Gay, professor of interdisciplinary studies at Regent University, attempted to summarize an evangelical debate on capitalism between the so-called "Christian left" and "Christian right."³ The Christian left, according to Gay, defines

capitalism as "a comprehensive system, encompassing economic, political and social realities globally, in which a relatively small elite exploits and oppresses the majority of mankind."⁴ The evangelical right defines capitalism as "a system of production by private producers for a market, [that] represents an extraordinarily efficient method of producing wealth, and it has transformed the world largely for the better."⁵ Note that both of these definitions have ethical connotations. The first defines capitalism with the imprecise negative connotations of "exploitation" and "oppression," while the second defines it with the ambiguous positive connotation of "efficient."⁶ Gay tries to maintain a middle ground between the two groups, and he criticizes them by saying,

Evangelical Debate over Capitalism (Eerdmans, 1991).

4 Gay, 22-23.

5 Gay, 65. Gay divides those on the Christian right into two groups: 1) the conservative libertarians, who stress individual freedom, and 2) the Reconstructionists or Theonomists who stress capitalism as being part of the dominion mandate for bringing the whole Earth under God's rule. Gay says some Christian libertarians and Theonomists base capitalism on natural law. We will not discuss natural law in this paper. For an explanation of the problems and fallacies of natural law, see John W. Robbins, "Some Problems with Natural Law" in *Freedom and Capitalism* (The Trinity Foundation, 2006).

6 The word "efficiency" used by the Christian right has many different meanings. It could refer to something technical, the monetary cost, the state of the art, and many other things, such as society getting the most (whatever that means) from its scarce resources. Efficiency for the individual can mean simply that the expected marginal benefit from some human action outweighs the expected marginal cost. For a discussion of the equivocation problem with the word "efficiency," see, Gary Galles, "Misunderstanding Efficiency," *The Freeman: Ideas on Liberty*, Foundation for Economic Education, vol. 58, No. 2, 1-4. According to Gordon Clark, when the definition of a word is not close enough to English usage, or it has many possible meanings, then serious misunderstanding can occur, (*Logic*, The Trinity Foundation, 1998, 25). Also see, Gordon Clark, *In Defense of Theology* (The Trinity Foundation, 2007), 48-49.

1 John Green and Kevin Schmiesing, "The State of Economic Education in the United States Seminaries," August 2001, Center for Economic Personalism, Acton Institute for the Study of Religion and Liberty. (The Acton Institute is a Roman Catholic organization.)

2 *Free Market Economics: A Basic Reader*, edited by Beattina B. Greaves (The Foundation for Economic Education, Inc., 1989), 270.

3 Craig M. Gay, *With Liberty and Justice for Whom? The Recent*

both the left and right fail to appreciate fully the character of modern capitalism. The left fails to appreciate the ability of capitalism to create wealth and hence to alleviate material poverty, and the right fails to appreciate the ability of capitalism to dissolve traditional culture and hence to exacerbate spiritual poverty. It is not difficult to see, then, why a number of other evangelical intellectuals interested in issues of political economy have been concerned to try to steer a path between the extremes of left and right.⁷

While both the Christian left and right provide some kind of definition of capitalism, Gay never does, and so his comments on the subject are incoherent.

Another book hostile to capitalism is *Christians in the Marketplace Series: Biblical Principles and Economics: The Foundations*,⁸ edited and authored by Richard Chewning, professor of Business Ethics at Baylor University. With few exceptions, the views expressed throughout by the various authors are as follows: 1) capitalism ignores the Biblical injunction about the poor; 2) capitalism often results in economic oppression of the poor due to monopoly power; 3) government intervention into the market economy is justified because of the fallen nature of man; 4) some societies are not ready for free markets; 5) God is concerned about poverty, so government welfare is justified; 6) whether government welfare is good or bad is an empirical question, and the Bible is silent on the issue; and 7) the Bible does not support any particular economic system.⁹ Most of the authors who define capitalism define it with negative connotations.¹⁰

In a recent article, "Capitalism and Paganism—An Intimate Connection," posted on an Episcopal website (virtueonline.org), Robert Sanders¹¹ has a similar but somewhat more extensive criticism of capitalism. He argues that capitalism promotes paganism, and once the connection is seen the better Christians will be able to resist the pagan way of life. While Sanders does not define capitalism, he says it must have something to do with "giant world-wide corporations." Corporations are pressured by stockholders to earn increasingly higher returns, which forces them to expand, flooding markets with "an ever-swelling river of products and services." As a result, capitalist societies "grow

7 Gay, 115.

8 Richard Chewning, *Christians in the Marketplace Series: Biblical Principles and Economics: The Foundations* (Navpress, volume 2, 1989).

9 Chewning, 70,72, 99-100, 126, 135, 138, 242. Notable exceptions are Ronald Nash and Calvin Beisner.

10 The exception is E. Calvin Beisner, who defines economics as choosing among various alternative mutually exclusive ways of allocating scarce resources for production and other uses. See, Chewning, 169. Beisner (178) quotes a 19th century Encyclopedia Britannica definition of capitalism with definite Marxian overtones, indirectly referring to the time before capitalism in which workers owned their own land, but now under capitalism, having nothing to depend upon except their wages.

11 Robert J. Sanders, PhD, is a theologian and rector at St. Mark's Episcopal Church in Jacksonville, Florida. His website is www.rsanders.org.

relentlessly." To maintain growth, corporations convince consumers to buy their goods and services by drowning them in a sea of direct advertising, but consumers are also strongly influenced by the indirect advertising of seeing their neighbors display more and more goods (institutional economist Thorsten Veblen called this "conspicuous consumption" in his *Theory of the Leisure Class*).¹²

Sanders defines paganism as "the worship of natural powers and forces." He says paganism today no longer worships such idols as the moon and stars; however, advertising is pagan because it appeals to the same set of worldly satisfactions, such as that offered to Jesus by the devil in the temptation in the wilderness. Sanders asserts that a moral breakdown in society has occurred due to advertising and the advent of television. He further asserts that almost all advertising appeals to fears, desires, and instincts, and not to legitimate needs or rational arguments. He however, neglects legitimate advertising, which lowers search costs for consumers by informing them about products and services.¹³ Instead of worshipping the old gods, people today "covertly" worship¹⁴ both materialism and other images, such as "precision bombing" of foreign capitals and "tough talk by a President onboard aircraft carriers with smartly dressed men and women in uniform."¹⁵ Sanders implies that almost all advertising in any form is equivalent to pagan idols that influence individuals to buy things, and what is worse, to approve of unnecessary wars, people are transformed into quasi-robots or puppets, no longer having the mental capacity to make rational decisions.

We agree with Sanders that our society is in moral decline, but he erroneously attributes it to the negative influence of advertising. The deterioration is not due to advertising, but rather to the disappearing effects of the Protestant Reformation, described by Max Weber¹⁶ and other writers,¹⁷

12 Sanders' argument has an interesting twist of (twisted) logic. Apparently people are puppets of corporate advertising when they are consumers, but then later in the paper he says when people become stockholders they are transformed into puppeteers because they are able to pressure corporations to go all over the world searching for higher profits. Corporate managers become the puppets, and the cycle continues.

13 For a complete refutation of the coercive power of advertising, see, Jerry Kirkpatrick, *In Defense of Advertising* (TLJ Books, 1994). For advertising to control human behavior denies that man has the power of volition.

14 As a synonym for worship, Sanders also uses the term "resonate to" instead of "worship," as a simile for some sort of mechanical oscillator. This view is inconsistent with the Biblical view that man is the image of God. See, Gordon Clark, *The Biblical Doctrine of Man* (The Trinity Foundation, 1984).

15 Sanders, 3.

16 Max Weber, *The Protestant Ethic and the Spirit of Capitalism* (Charles Scribner's Sons, 1958). John Robbins makes the further point that Weber did not go far enough in explaining how Protestant philosophy contributed to capitalism and freedom in the West. Weber mentioned the ethics of Protestantism, but he failed to discuss the theology and political philosophy of Protestantism that accounts for all of the "social, political, and economic conditions required for the development of capitalism and freedom" (Robbins, *Freedom and Capitalism*, 345).

17 John Robbins mentions two recent historians, Donald Kelley

that brought freedom and prosperity to the West.¹⁸ Reformed theology has been compromised and corrupted, the authority of the Bible has been attacked, and Rome is no longer seen as an enemy of the faith but as just another Christian denomination. Once the Bible and theology are corrupted, the deterioration continues in ethics and politics, and with significant negative economic impacts¹⁹ to all of society. The deterioration of society has been going on for a long time, and, contrary to what Sanders asserts, it has nothing to do with advertising. If capitalism is an unethical system, then this leaves either socialism or fascism. The Western nations, under the major influence of the RCC-S, have by and large adopted the system of fascism, whereby legal title on property is private, but the state controls its use for the "common good."²⁰

Temporarily setting aside his discussion of advertising, Sanders adds a new dimension to his argument by suspecting an "intimate" connection between war, capitalism, and paganism. He says war is endemic to all societies,

and Douglas North, who also see the connection between the Protestant Reformation and modern freedom (*Freedom and Capitalism*, 345).

18 Loraine Boettner documents the history of the Reformation and Calvinism and its tremendous impact on political freedom and prosperity among Western countries, as opposed to those countries under the domination of Roman Catholicism. "When we compare countries such as England, Scotland and America, with countries such as France, Spain and Italy, which never came under the influences of Calvinism, we readily see what the practical results are. The economic and moral depression in Roman Catholic countries has brought about such a decrease even in the birth rate that the population in those countries has become almost stationary, while the population in these other countries has steadily increased" (*The Reformed Doctrine of Predestination*, Presbyterian and Reformed Publishing Company, 1932, 420-421).

19 The failure to follow Biblical ethics and the rule of law has led to numerous wars, recessions, depressions, and poverty. Recessions or depressions are caused mainly by fiat money systems of central banks coupled with fractional reserve banking (the banking industry is a legalized cartel), counterfeiting money to support government expenditures over and above tax revenues on various social projects that are of interest to government bureaucrats. The Bible specifies economic exchange be based on just weights and measures. Government has no authority to be involved in the money supply. It's only role in monetary exchange is to punish anybody for using dishonest weights and measures. All recessions and depressions are caused by the unbiblical activities of government institutions and central banks.

20 The fascist doctrine of regulating business and private property has been the policy of the RCC-S throughout its history, despite what modern papist apologists, such as Michael Novak and Tom Woods claim. See, Michael Novak, *The Catholic Ethic and the Spirit of Capitalism* (The Free Press, McMillan, 1993), 11. Also, see, Thomas E. Woods, Jr., *How the Catholic Church Built Western Civilization* (Regency Publishing, Inc., 2005). For Novak to claim that the roots of capitalism are found in the RC ethic rather than the Protestant Reformation is absurd, given the history of the papacy's support of theft of private property (based on the philosophy of Thomas Aquinas), communism, fascism, and liberation theology. For more examples of intellectual misrepresentation of Roman Catholicism supporting capitalism, see John W. Robbins, "Intellectual Dishonesty and Roman Catholic Apologetics," (chapter 16) *Ecclesiastical Megalomania*.

capitalist or not, because of the pagan passion in "every human heart and society." Apparently society (fallacy of collectivism), as well as individuals, has pagan passions that lead to war. Next, Sanders modifies his previous statement about war, capitalism, and paganism by saying capitalism itself causes war because large corporations "in their quest for profits have to move overseas for raw materials, cheap labor, and markets. They use their own governments to coerce developing countries to obey "capitalist rules." Sanders neither defines capitalism, nor does he tell us what "capitalist rules" are. Returning to advertising, Sanders says advertising, both direct and indirect, has a controlling influence upon consumers not only to purchase more products, but also to support political leaders in wars, all the while using the language of Marx's dialectic.²¹

In his article Sanders neither explicitly mentions Marxian dialectic nor Marxian economic theory;²² however, many of his propositions are very similar to Marx and Engels' 1848 *Communist Manifesto*. In their *Communist Manifesto*, Marx and Engels wrote

1) The bourgeoisie has through its exploitation of the world-market given a cosmopolitan character to production and consumption in every country. 2) Meantime the markets kept ever growing, the demand ever rising. Even manufacture no longer sufficed. Thereupon, steam and machinery revolutionized industrial production. The place of manufacture was taken by the giant, Modern Industry, the place of the industrial middle class, by industrial millionaires, the leaders of whole industrial armies, and the modern bourgeois. 3) The bourgeoisie has through its exploitation of the world-market given a cosmopolitan character to production and consumption in every country. To the great chagrin of Reactionists, it has drawn from under the feet of industry the national ground on which it stood. All old-established national industries have been destroyed or are daily being destroyed. They are dislodged by new industries, whose introduction becomes a life and death question for all civilized nations, by industries that no longer work up indigenous raw material, but raw material drawn from the remotest zones; industries whose products are consumed, not only at home, but in every quarter of the globe. In place of the old wants, satisfied by the productions of the country, we find new wants, requiring for their satisfaction the products of distant lands and climes. In

21 Specifically, Sanders use terms, such as "quest for profits," over production, concentration of industry into giant firms, two classes (bourgeoisie vs. proletariat), treats consumers as if they were puppets who passively consume what is produced, etc.

22 For an analysis of Marxian economics, see, Robert B. Ekelund, Jr. and Robert F. Hebert, *A History of Economic Theory and Method*, 4th edition (The Mc-Graw-Hill Companies, Inc., 1997), 236-246.

place of the old local and national seclusion and self-sufficiency, we have intercourse in every direction, universal inter-dependence of nations. 4) The bourgeoisie keeps more and more doing away with the scattered state of the population, of the means of production, and of property. It has agglomerated production, and has concentrated property in a few hands. The necessary consequence of this was political centralization. 5) Owing to the extensive use of machinery and to division of labor, the work of the proletarians has lost all individual character, and consequently, all charm for the workman. He becomes an appendage of the machine, and it is only the most simple, most monotonous, and most easily acquired knack, that is required of him.²³

Sanders adopts the Marxian world consisting of two classes of people—1) the industrialists and political leaders (bourgeoisie), and 2) the workers (proletariat), the former having total control of profit created by the latter. In his PhD thesis written in the early 1980s²⁴, Sanders uses even more explicit Marxian language, including the revolution of the workers (the proletariat), and adopting Marx's term "surplus value" for profit.

In his thesis Sanders also attempts to merge the Marxian dialectic of social history with the theology of Neo-orthodox theologian, Karl Barth. Ironically, Barth was opposed to the fascism of the Nazis but favored socialism. Under fascism persons have legal title to property, but its use is controlled by government. Fascism leads to *de facto* socialism as government tightens and extends its controls over private property rights. In contrast to Sanders, the private ownership and control of property is based on the Ten Commandments. For example, the Eighth Commandment prohibits all forms of theft, and the Sixth Commandment forbids every form of coercion and violence between contracting parties.²⁵ The Bible justifies civil government with circumscribed limits, ruling out both fascism and socialism.²⁶

23 Karl Marx and Friedrich Engels, *The Communist Manifesto*, English edition, 1888, January 25, 2005, ebook # 61, Wikipedia.

24 Robert Sanders, PhD thesis on Karl Barth, available at Sanders' website, www.rsanders.org.

25 In his book, *Three Economic Commandments* (Libertarian Press, Inc., 1990), Austrian economist, Hans Sennholz, says, "The market order or capitalism finds its answers in the Judeo-Christian code of morality. Private ownership in production is squarely based on the Ten Commandments. It obviously rests on the Eighth Commandment: Thou shalt not steal. The form of private-ownership system also builds on the Sixth: Thou shalt not kill, which includes every form of coercion and violence...To freely exchange goods and services, contracting parties must not deceive each other. They must not bear false witness, which is the Ninth Commandment of the Decalogue" (1-2). These statements from Sennholz are also quoted by John Robbins (*Freedom and Capitalism*, 29).

26 Gordon Clark has demonstrated that all humanistic philosophy of politics leads either to totalitarianism or anarchy ("The Philosophy of Politics," *A Christian View of Men and Things*, The Trinity Foundation, 2005).

Using the Marxian dialectic, Sanders says capitalism has gone through stages from small firms to the current giant world corporations that we have today, which he calls "monopoly capitalism," fitting nicely into Barth's theory of "class struggle" and his own rejection of capitalism.²⁷ However, Sanders seems to have left out some important history from his analysis. For example, previous to the major influence of the Puritans in England, most industries were controlled by monopoly guilds, and under the Roman Catholic Stuarts government sponsored large monopolies "which controlled the supply of materials.... With the rise to power of the Puritans all this changed. The industrial monopolies were abolished by the Long Parliament and under Cromwell the power of the guilds was largely broken."²⁸

Sanders, following Barth, disagrees with the Biblical view of private property, as the following indicates:

the earth is given by God to the whole of humanity. By creation, it "belongs" to everyone... Private property is not a right of nature; it belongs, if anywhere, to the covenant. This "right" can and has been used to trample on people...When it functions as a form of oppression, it must be redistributed or socially controlled in ways that enhance life.²⁹

Sanders' collectivist views on property rights differ little from that of other Protestant critics and the various popes of the Roman Catholic Church-State (RCC-S),³⁰ who reject *laissez-faire* capitalism. One difference between Sanders' opinion and that of the RCC-S is that he is indifferent between socialism and fascism, while most of the popes have rejected socialism and chosen fascism instead.³¹

(...continued)

27 See John W. Robbins "Foreword," to Gordon Clark, *Karl Barth's Theological Method*, xiii.

28 Stephen C. Perks, *The Political Economy of A Christian Society*, Kuyper Foundation, 2001, 87-88.

29 Sanders, PhD thesis, chapter 5.

30 The papacy, or the Vatican, is the seat of the antichrist. See, "Antichrist is Coming, April 15th, 2008," *The Trinity Review*, selected by Thomas W. Juodaitis, March-April 2008. Also, see, Francis Nigel Lee, *Antichrist in Scripture* (Old Paths Gospel Press, 1992).

31 Historically the popes have supported both socialism and fascism. For example, When the Romanist Europeans conquered Central and South America, the Jesuits were given rule over Paraguay, and they at first treated the natives with kindness and then imposed slavery on them. No private property was allowed, and a socialist state was instituted under the iron rule of the Jesuits (See, I. A. Sadler, *Mystery Babylon the Great*, Cromwell Press, 2001, 156-158). In several attempts to unify Europe and extend the RCC-S to the whole world, the Vatican helped establish the First Reich, under Otto the Great, The Second Reich, under the Kaiser and the Austro-Hungarian Empire, under great influence by the Jesuits, that Lead to World War I (Sadler, 214-215), and finally, the Third Reich, under Hitler and Mussolini, with the support of the Vatican, lead to World War II (Sadler, 225-233). Hitler and his SS troops were closely connected to the Jesuits, and the Jesuits lead the assault on the Serbs in Eastern Europe, with the intent of destroying the Eastern Orthodox Church. The Vatican also

Sanders and the liberation theologians³² use Latin America as a classic example of the oppressive effects of capitalism on the poor and disadvantaged. He agrees with liberation theology that it is acceptable to use force to overthrow governments to eliminate the oppression of the poor in Latin America, as well as anywhere else. After the revolution, it does not seem to matter to Sanders whether property is privately owned with government controls (fascism) or publicly owned (socialism).

Christian economists, Paul Morgan and Edd Noell have analyzed liberation theology, which defines capitalism as a system that allows a few to exploit the workers, pitting one class against another.³³ Morgan and Noell point out that what is mis-named capitalism in Latin American countries is in reality a system of massive government controls over property rights, "a myriad of legal hurdles blocking access to land ownership and business ownership, concentrated political power in some cases, and markets that [are] throttled through price controls [and] trade restrictions."³⁴ The poor are oppressed in these countries, but they are oppressed by the power of the state. They characterize Latin American countries as modern forms of mercantilism, but I would describe these countries as fascist rather than mercantilist systems.³⁵

Sanders attaches an extreme negative connotation to the economic activity of searching for profits by giant corporations because it leads to coercion and war. However, in a Biblical economic system profits are legitimately sought subject to the moral laws of God. Sanders, like most critics of capitalism, fails to recognize that economics is a descriptive science,

opposed the Jews returning to Israel because It wanted to gain control of Jerusalem (Sadler, 234). In the 1917 Russian Revolution, the Vatican gave financial support to the Bolsheviks. The Jesuits had infiltrated the Bolsheviks and tried to persuade them to carry out the destruction of the Russian Orthodox Church, a long standing enemy of the Vatican. Stalin, before joining the Bolsheviks was trained as a Jesuit priest (Sadler, 218-219). After Pope Pius XII died in 1958, his "successors, John XXIII and Paul VI, were favorable to Communism and distanced themselves from the cold war policies of Pius XII. The position of the Jesuits also shifted toward Marxism" (Sadler, 21). For further reading on the Roman Catholic Church-State's economic philosophy see John Robbins, *Ecclesiastical Megalomania* (The Trinity Foundation, 2005).

32 The Jesuits were a driving force behind the Liberation Theology movement. See, Sadler, *Mystery Babylon the Great*, 241.

33 Paul Morgan and Edd Noell, "Captialism and Liberation Theology in Latin America," Department of Economics and Business, Westmont College, Santa Barbara, CA., December 1990.

34 Morgan and Noell, 8.

35 Mercantilism is a political doctrine based on the idea of building up national wealth by importing precious metals and subsidizing the exports of goods, and some governments adopted this policy during the 16th through 18th centuries. Mercantilist intervention occurred to protect domestic firms from competition, and mercantilist policies are still in existence today. Fascism is an authoritarian form of government that rigidly controls economic and industrial activities. Fascism usually includes aspects of mercantilism, and fascist governments often have a strong nationalistic appeal to achieve popularity.

while ethics and politics are prescriptive sciences, and therefore deriving ethical or political propositions from economic propositions is to commit the "is" - "ought" fallacy, as first demonstrated by the philosopher David Hume.³⁶ Sanders mixes ethical, political and economic propositions together, producing confusion and gibberish. He also fails to recognize that ethics, the lower science, precedes economics and politics, the higher sciences. Ethics is the lower science because it can be considered without reference to either economics or politics, but the latter cannot be discussed without the application of ethics. Sanders has the order reversed.³⁷

A further implication of Sanders' condemnation of search for profits is that he *de facto* condemns voluntary economic exchange between individuals in industrial countries and those in less developed countries. Sanders thinks in terms of collectives, e.g., classes, so he fails to see that only individuals participate in economic exchange, each person expecting to profit or benefit from the exchange. Otherwise, there would be no rational reason for an exchange to take place. In the economic theory of Aristotle, the only morally acceptable economic exchange between individuals is that based on an objective proportional equality between the goods being exchanged that is established by money.³⁸ The Roman Catholic philosopher, Thomas Aquinas, also held this view of economic exchange.³⁹ Contrary to Sanders, Aristotle, and Aquinas, voluntary economic exchange (reflecting the economic axiom of choice) under the ethical principles of private property and contracts is capitalism, and the law of comparative cost,⁴⁰ at least in principle, allows every able

36 For an explanation of the is-ought problem first developed by Hume, see, Deborah A. Redman, *Economics and the Philosophy of Science* (Oxford University Press, 1993), 181-183. The invalid argument is usually expressed as: "I like x, therefore x is good."

37 For understanding of a Biblical hierarchy of subjects, beginning with epistemology, see, Gordon H. Clark, *A Christian View of Men and Things*, Chapter IV. Before the Fall, economics was the higher science and ethics the lower science. After the Fall it was necessary to establish government to restrain man in his depravity, so both ethics and politics are the lower sciences and economics the higher science. Clark further discusses the problem of classifying the sciences.

38 See Robbins, *Freedom and Capitalism*, 370. Aristotle's theory of economic exchange is discussed in *Nichomachean Ethics* (Macmillan Publishing Company, 1962), Book V, 123-128. Aristotle gives an example of an exchange of a house for shoes in which the labor for the shoes has to be equated to the labor for the house, both based on need. How this proportionality is arrived at Aristotle does not say. Aristotle's theory of exchange is probably the source of the spurious labor theory of value later expressed by Adam Smith and other classical economists, and including Marx. Also, see Ekelund, Jr. And Hebert, *A History of Economic Theory and Method*, 16-19.

39 Robbins, *Freedom and Capitalism*, 30.

40 The law of comparative cost (also called the law of comparative advantage) states that an action performed by one person can be done with a lower opportunity cost (the subjective value of the next most preferred action not taken) than someone else. People have different opportunity costs because their abilities and the quality of their resources differ. Because comparative cost is a universal law

bodied person from every country to participate and benefit from trade. Economic theory, and in particular, voluntary economic exchange, is one of the tools God gave man to carry out his dominion mandate.⁴¹ Without voluntary economic exchange of property, *i.e.*, the right to exchange legal titles to property,⁴² it is impossible to raise people out of poverty. Sanders is clueless.

of economics, specialization and division of labor can increase productivity and the standard of living for mankind. Austrian economist, Ludwig von Mises, preferred to call the law of comparative advantage (attributed to the classical economist, David Ricardo) the law of association (*Human Action*, Contemporary Books, Inc., third revised edition, 1963, Chapter VIII) because when one group of people are better at production than another group of people, economic output can increase further when there is division of labor and specialization of people between people with high productivity and those of low productivity.

The most important example of the law of comparative advantage and division of labor in Scripture is the Trinity, the triune God who works. See, Thomas Schirmacher, "Trinity and Work," *Christianity and Society*, Vol. VI, No. 2 (April 1996), 1-10. Man's work is highly valued because it reflects the image of God who works (1). God works more than anybody else, so *a fortiori* the more responsibility a person has the more work should be done (2). With Marx work is always exploitive, imposed by the upper class on the lower class (3). Work is never an end in itself, but it is done to the glory of God (5). The work of the triune God is divided between the Father, the Son and the Holy Spirit, *i.e.*, the division of labor (7). Work by man should always involve the service to other people. Work in the Trinity done by one person is always for the benefit of the other two in the Godhead. Man *a fortiori* works for himself and for the benefit of others (8).

41 Each party in an economic exchange hopes to profit from the exchange in the sense that the anticipated marginal benefit exceeds the expected marginal cost (what economists refer to as opportunity cost). While Sanders refers to profits measured in monetary terms, the Bible often uses profit in a broader sense that cannot be measured (*e.g.*, *Mark* 8:36). The anticipated profit from an economic exchange can be assessed only by the two parties in the exchange, and it depends on the economic axiom that man is able to impute value to things (God values things, man is the image of God, *a fortiori* man values things), and therefore he is able to assess whether he is better off in making an inter personal economic exchange. Every action a person takes is an exchange of one set of circumstances for a more preferred set of circumstances. Man, the image of God, chooses goals and assembles the means to achieve the goals. The Bible provides the basis for defining profit in economic theory as subjective rather than objective (this is not to say that monetary factors are not often a significant part of one's estimate of profit). The idea of imputing value to things did not occur to secular economists until the late 19th century, but it is found in Scripture. Two of the most important imputations in Scripture are the imputed sin of Adam to all mankind and the imputed righteousness of Christ to the elect.

42 The Biblical view of property rights is more general than just physical property in that it includes the person himself and all God given rights of that person.

Because Christians are also members of political societies, Sanders believes they are called to favor the poor and weak members of society. Churches are to play a role in helping the mentally and physically disabled, but this covers only a small fraction of the population. Most people do not need charity, but they do need a "decent education with smaller classes...jobs with a living wage, and good working conditions."⁴³ Although he does not specify who should provide these things, we infer that he believes it should be by government coercion because he says everybody has a right to a "living wage," a modern carryover from the idea of a "just wage" from the monopoly guilds in the medieval period,⁴⁴ under the authority of the RCC-S.⁴⁵

Laissez-faire capitalism, is the economic "system in which individuals and groups are free to own private property of all sorts and to dispose of it as they see fit. It is the economic counterpart to the political system of limited government in which the only functions of government are the punishment of evil doers, that is criminals, and the praise of the good (See *Romans* 13)."⁴⁶ In order to punish criminals and praise the good, the state provides judges to settle disputes between third parties, and thereby keeps the peace and maintains order. The state is forbidden by God to involve itself in social programs or to regulate the economy because to do so destroys its role as an impartial administrator of public justice.⁴⁷

Sanders gives no credit to the Protestant Reformation in generating freedom and prosperity in the West; rather he, like various Roman Catholic writers, pines for the days when the Roman Catholic church was in charge. In an essay on his website, Sanders says,

Prior to the sixteenth century, Catholic Europe universally believed that economic activities expressed personal relations between people. They were subject to the laws of God and their goal was ultimately religious, the salvation of society and the individual. After the seventeenth century, economics and religion were torn apart into

43 Sanders, 5.

44 The idea of a just wage was promoted by the Roman Catholic philosopher, Thomas Aquinas (who advocated legalized murder of and war against heretics and apostates, slavery, and who opposed trade and merchants, *i.e.*, capitalism), and by various papal encyclicals from the RCC-S, regulating business to promote justice for workers by enforcing just wages and other worker benefits (*e.g.* *Rerum Novarum*). See Robbins, *Freedom and Capitalism*, Chapter 3, for a discussion of the contents of *Rerum Novarum*. See also Robbins, *Ecclesiastical Megalomania*.

45 In England during the 17th century the Roman Catholic Stuarts supported guilds and state monopolies with almost every area of industry requiring government licensing. See Perks, 87.

46 Robbins, *Freedom and Capitalism*, 466.

47 See Perks, *The Political Economy of a Christian Society*, Appendix D.

separate spheres. There were two major results. First, economics was emancipated from religious control. It became impersonal, the operation of an "invisible hand," or of mathematical laws. Secondly, what had previously been vices, lending money at interest, consumption beyond one's station in life, and unlimited expansion of wealth, became virtues.⁴⁸

Believing that economics should be subject to religious control, Sanders again confuses ethics, a prescriptive science, with economics, a descriptive science. His statement that economics has wrongly become a mathematical science is a valid criticism of modern economics, but not for the reason he has stated. Modern economics relies on empirical methods that are used in the physical sciences, which is inappropriate for explaining human behavior.⁴⁹ Economics is a deductive science, and its axioms are found in Scripture.⁵⁰ Regarding his comments about the importance of personal relations during the Medieval period, one only has to read Foxe's *Book of Martyrs* to realize that the Church of Rome, the Second Beast of Revelation, ruled with an iron hand, murdered millions of Protestants, and tried to keep the Bible out of the hands of the common people to see how absurd this statement is.⁵¹

Contrary to the views of Sanders and most Protestant and Roman Catholic theologians and writers, it was the preaching and wide acceptance of the Gospel that brought the West from poverty to prosperity, changing institutions to conform to Biblical ethical principles, such as honesty, hard work, saving for the future, and the education of children. It was the doctrines of the Reformation called Calvinism that generated political and economic freedom in the West. According to Boettner,

It is a matter of supreme importance what doctrines they believe, what principles they adopt: for these must serve as the basis upon which the superstructure of their lives and their government rests. [It was Calvinism that] taught the natural equality of men, [crusading] against those artificial distinctions which raise some men above others. Calvinism has been the chief source of modern republican government. Calvinism and republicanism are related to each other

as cause and effect.... Calvinism has proven itself incomparably the greatest evangelizing force in the world.⁵²

One of the most important teachings of the Reformed Faith is the sovereignty of God and the importance of the individual. Each member of the church votes with full equality with the pastor, while in Romanism and Arminianism the power is almost exclusively in the hands of the clergy. Calvinism also focuses on the importance of learning for every person, and countless Protestants sacrificed to educate their children. Rather than building useless cathedrals, Calvinists built schools, colleges and universities. Calvinists founded Harvard, Yale, and Princeton universities.⁵³ Again quoting Boettner, "Every impartial historian will admit that it was the Protestant revolt against Rome which gave the modern world its first taste of genuine religious and civil liberty, and that the nations which have achieved and enjoyed the greatest freedom have been those which were most fully brought under the influence of Calvinism."⁵⁴

Sanders is correct when he says the US possibly has involved itself in unnecessary wars because of leaders with various intuitive visions for the world, but he overlooks the fact that this deterioration of Western Civilization has been going on for the last two centuries, with the gradual rejection of the Biblical theology of the Reformation and the widespread acceptance of the Gospel that created it.⁵⁵ As John Robbins points out, "One result of the growing rejection of Christian theology in the West...was that the twentieth century was the bloodiest century in recorded history,"⁵⁶ with hundreds of millions of people murdered by their own governments and by legalized murder [mainly abortion]. Barring a new Protestant revival or the return of the Lord, the 21st century will most likely be a "new Dark age of slavery, brutality, and war."⁵⁷

Sanders and other critics of capitalism do not mention the fact that most countries of the world still live in poverty, disease and war, due to an absence of capitalism. Capitalism, based on Christian ethics and politics, is the only way people can move from bondage and poverty to freedom and prosperity. Sanders, like other Christian leftists, such as Ron Sider (*Rich Christians in an Age of Hunger*. InterVarsity

52 Boettner, *The Reformed Doctrine of Predestination*, 391, 428.

53 Boettner, 396-397.

54 Boettner, 420.

55 Sanders also overlooks the major role played by the Roman Catholic papacy, instigating war after war to try to unify Europe and the rest of the world under the iron rule of the RCC-S, and destroying Protestantism.

56 Robbins, "The Religious Wars of the 21st Century," in *Freedom and Capitalism*, 355.

57 Robbins, "The Religious Wars of the 21st Century," in *Freedom and Capitalism*, 364.

48 Sanders, "Scripture and Economics," April 1994, www.rsanders.org.

49 Austrian economists, such as Ludwig von Mises, have made this point many times. See Ludwig von Mises, *Human Action*, Introduction, 1-10.

50 Robbins, *Freedom and Capitalism*, Chapter 22.

51 See for example, *The Forbidden Book* (Lollard House, 1993).

Press, various editions),⁵⁸ blame industrial countries for the poor condition of developing countries. Sanders is right that the world is becoming more pagan, but it has nothing to do with advertising or Barth's "class struggle," but rather with the moral deterioration due to the loss of Christian theology from the Protestant Reformation. Because Sanders fails to define capitalism, his charge that it is paganism is unintelligible.

Another unfortunate conclusion that Sanders makes, although he seems unaware of it, is the fact that under socialism or fascism government controls the factors of production, which include labor. Because the state controls labor there is no freedom for the individual in either socialism or fascism. Sanders, like other critics of capitalism, *de facto* favors slavery over freedom for men.⁵⁹

Other than Scripture, a good place to start for Sanders and other critics is to read *Freedom and Capitalism*, by John Robbins. *Laissez faire* capitalism, a republican form of government with limited powers, private property rights, and freedom for individuals to pursue their talents under the umbrella of Christian ethics (*i.e.*, the 10 Commandments), following the preaching and widespread acceptance of the Gospel, are what is necessary to carry out God's dominion mandate and bring prosperity to people in all nations of the world. Capitalism without both Christian ethics and politics is impossible.

58 Ron Sider's Marxian approach to economics is discussed by John W. Robbins, "Ron Sider Contra Deum," *The Trinity Review*, March-April 1981.

59 Robert G. Anderson, "Two Ways of Life," *The Freeman*, October 1979, reprinted in *Private Property and Political Control* (The Foundation for Economic Education, 1992).