

# **CAPITALISM: FROM ITS GENESIS TO ITS ESCHATOLOGY ITS COMPATIBILITIES WITH CHRISTIANITY; ITS INSIDIOUS CHALLENGES TO GODLINESS**

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## **ABSTRACT**

This essay begins with a discussion of what ails all economic systems. Next, capitalism is defined. This is followed by a look at the Biblical antecedents to capitalism and the Biblical values promoted by this particular economic arrangement. From here the paper will touch on the specific forces that synergistically worked together in the 10th through the 15th centuries to prepare the Western world for capitalism. Next the providential forces of the Renaissance and the Reformation that so deeply impacted the actual rise of capitalism during the 16th through the 18th centuries will be surveyed. Then the 19th century flowering of capitalism that took place primarily in North America amidst an environment permeated with Judaic/Christian values that were broadly accepted at the time as normative, even when disregarded, and that were subsequently overrun by an emerging and ever increasing humanistic set of values that manifested itself in the second half of the 20th century will be outlined. And finally, the eschatology of capitalism will be postulated as occurring when the core values upon which it rests are publicly rejected and its capitalism in name only remnants are dominated by an overarching anti-Christian, governing political force that promotes values that contradict those out of which capitalism arose and flourished.

## **INTRODUCTION**

The majority of those born and raised in a social order where a distinctive economic system is entrenched are more than likely to take for granted the prevailing way of creating and distributing wealth. But there are always those who want to adjust the existing system in some way in

order to bring it into conformity with their collective ideas of what would make a better system, that is one that would promote and reflect their particular world/life-view with its accompanying core values.

And there are forces that come to bear upon existing economic systems that are non-personal

by products of the existing system itself, but that have dramatic impacts on those living in the system. For example, economic prosperity is a magnet to those beyond its immediate sphere of influence and, as such, attracts people from other geographic locations who wish to benefit from the localized success.

Those of us who have been born and raised in the United States reside in a social order that can be described as an environment of relative economic freedom operating under an umbrella of numerous layers of representative governance. The economic freedom enjoyed by our forbearers has also evolved into an economic system that is generally perceived as rooted in capitalism.

An historic review of capitalism and a prognostication of its future are important. Those who believe and discern that God has involved Himself directly in the time-space history of humanity and has provided those who bear His image with a superintended account in the Bible of His actions, character, will, and love believe there is contained therein a mandate for humanity regarding work that was established from the beginning.<sup>1</sup> Christians not only believe that God mandated work but that He created an ecology in which human reason correlated with applied energy and other resources would yield a God honoring abundance.

While it is evidenced in history that work can be carried out in a variety of economic arrangements, it is nonetheless important for Christians to ask and answer the question, “Is there a particular economic system that affords people a greater opportunity to incorporate God’s revealed values, standards and principles than any other economic structure?” And after answering this question, a second question seems equally important: “If there is a preferred economic arrangement, from a Biblical perspective, is there any reason to believe that this particular arrangement will prevail over all other economic systems, or might it be subverted for non-economic reasons?” The Bible is certainly not an economics textbook nor is it a political science exposé regarding the specific end of any particular social structure. It does, however, contain numerous values, standards, and principles that are perceived by many to also be observable in the natural law.<sup>2</sup> And the

Bible does speak of the end time in a way that provides plausible insights into a culminating economic arrangement.

### **UBIQUITOUS SIN: THE UNIVERSAL PROBLEM INFECTING ALL ECONOMIC SYSTEMS**

Orthodox Christians believe that humanity fell in the context of time, space history.<sup>3</sup> This understanding of reality adheres to a line of thought that goes something like this: God created a man and a woman in His image<sup>4</sup>; the man, the first to be created, was placed by God in the garden of Eden “to cultivate it and keep it,”<sup>5</sup> the man was commanded that he might eat freely from any tree in the garden except from the “tree of the knowledge of good and evil,” with the subsequent warning that his disobedience would result in his death;<sup>6</sup> the woman was then created and lived with the man in the garden;<sup>7</sup> she was subsequently deceived by Satan (disguised as a serpent) and she ate of the forbidden fruit;<sup>8</sup> the woman then invited the man to eat the forbidden fruit with her; he listened to her; and he too ate;<sup>9</sup> upon which they were both immediately transformed from being innocent, devoid of self-consciousness people and fell into a state of self-conscious shame and alienation from God.<sup>10</sup> This belief in the fall of humanity and its resulting enmity between the creature and her/his Creator is a core component of a Biblical world/life-view. The fall gave rise to the sin nature<sup>11</sup> that infects every human being from the time of her or his conception<sup>12</sup> and troubles everybody until their death.<sup>13</sup> This doctrine of the fall and resulting sin is correlated with the belief that God, while permitting sin to come into existence, is not the creator of evil. God permitted a blameless and anointed cherub, whom He placed in His garden, the Garden of Eden, to become self-corrupted through self-admiration (pride) and thereby become the father of murder, lies, and every perversion of righteousness.<sup>14</sup>

This brief theological excursion confirms one of several crucial foundational understandings necessary to forming an appropriate and accurate judgment regarding any and all economic systems – sin is ubiquitous. The sin nature of

humans is present everywhere. Its perverting qualities are inescapable. It pollutes every economic arrangement. It is insidious in its worming capacity to undermine economic justice. Its influence is pervasive and unrelenting. And no human

its genesis in these God expressed principles, standards, and ideals.

The ubiquitous consequences of sin place all economic enterprises under an enormous cloud of judgment; our individual world/life-views tend

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effort can assuage its effects.

Even if we could answer the question, “What would be the perfect economic system that would create economic justice in an environment of perfect stewardship?” we would need to realize that such an answer could only exist in theory; in a perfect world that is non-existent. Not only has the human fallen, the created physical universe has fallen as well and awaits its redemption.<sup>15</sup> Corruption is ubiquitous; injustice is ubiquitous; human depravity is ubiquitous; the consequences of the fall of our first parents are everywhere present; they are ubiquitous. There is no human solution to the effects of sin. Humans can not un-fall the fall. God has provided an eternal solution but that is beyond the focus of this particular treatise.

Why is the ubiquitous nature of sin so important to this historic review of capitalism? It is important because capitalism, along with every other economic system, has resultant elements associated with its ongoing activity that are morally indefensible. So the purpose of this paper is not to defend, overlook, or pretend to justify the injustices and perversions of human equity that are discernable in an economic system, in this case capitalism. No, the purpose is to examine the Biblical antecedents or Biblical principles and values, if you will, to see if capitalism finds

to lead us to justify and judge the various systems according to our developed values.

### CAPITALISM DEFINED

Analogously, defining capitalism possesses many of the same obstacles as attempting to smell one’s own breath; a constantly present stimulus causes the phenomenon receptors to alter their level of conscious awareness over time of the phenomenon’s presence. Stereotypes, look-alikes (that really have significant substantive differences), and evolving economic deviations all cry out for a standard definition of capitalism as its antecedents, birth, maturing and death are all going to be discussed.

An example of a generic definition of capitalism might be:

Capitalism: an economic system characterized by private or corporate ownership of capital goods, by investments that are determined by private decision rather than by state control, and by prices, production, and the distribution of goods that are determined mainly by competition in a free market.<sup>16</sup>

The definition attributes several distinguishing characteristics to the system of capitalism:

- 1) private/corporate ownership of the means of production and distribution;
- 2) private decision making regarding the use of available capital; and
- 3) the pricing, production, and distribution functions taking place in a competitive/free market.

As one surveys some of the staunchest supporters of capitalism who wrote on this subject in the last half of the 20th century, people like Milton Friedman, Michael Novak, Friedrich A. Hayek, and Robert L. Heilbroner, one quickly discovers that they, in a variety of ways, beat the drums for one or more of the above mentioned characteristics of capitalism.

Milton Friedman, a Nobel Prize winning economist, believed passionately that freedom must be an integral part of an economic system if it were to be maximally beneficial to those inter-related with it.

In Milton Friedman's mind freedom was of utmost importance. For him it represented a freedom to engage in competitive capitalism.<sup>17</sup> But he noted that the concept of freedom had undergone a shift in its placement amongst an ordered set of priorities. He understood that:

*The nineteenth-century liberal regarded an extension of freedom as the most effective way to promote welfare and equality; the twentieth-century liberal regards welfare and equality as either prerequisites of or alternatives to freedom.*<sup>18</sup>

Friedman also saw:

*that there is an intimate connection between economics and politics, [and] that only certain combinations of political and economic arrangements are possible.*<sup>19</sup>

He noted that:

*The kind of economic organization that provides economic freedom directly, namely, competitive capitalism, also promotes political freedom because it separates economic power from political*

*power and in this way enables the one to offset the other.*<sup>20</sup>

Friedman's view of free market competitive capitalism did not exclude a role for government in the economic process but it did see government as the maintainer

*of law and order to prevent physical coercion of one individual by another and to enforce contracts voluntarily entered into, thus giving substance to private.*<sup>21</sup>

Government, in Friedman's mind, was to determine the rules of the game and serve as the umpire to interpret and enforce the rules decided on.<sup>22</sup> Friedman's ideas regarding capitalism and government did not change over the years; he was faithful throughout his life to his world/life-view regarding the role and relationship between economics and politics.

The dictionary definition of capitalism and Milton Friedman's discourse on capitalism are completely compatible with one another. The only difference lies in Friedman's emphasis on freedom, and his belief that it is the integrating and moving force that connects all of capitalism's components. But Friedman's work on capitalism while being brilliant is narrowly focused on the freedom of man.

Michael Novak on the other hand makes the distinction between capitalism as it might exist in some purified theoretical form and democratic capitalism as it has in fact existed in its impure practical form in the United States for some time. The question put forth in Novak's work is: can capitalism continue to survive as "democratic capitalism" or will it morph into something very different and shed its historic significance as it has already done in other political/economies? Novak rightly connects the political and the economic systems together for they are in truth inseparable.

The opening paragraph of his book *The Spirit of Democratic Capitalism* begins:

*Of all the systems of political economy which have shaped our history, none has so revolutionized ordinary expectations of human life – lengthened the life span, made the elimination of pov-*

*erty and famine thinkable, enlarged the range of human choice – as democratic capitalism. Recall the societies of the Roman Empire and Carolingian period. Contemplate the Catholic and Protestant powers of the seventeenth century, colonial and mercantilist. Examine the forms of socialism in the present day. Each of these systems of political economy has had its theological admirers. Yet no theologian, Christian or Jewish, has yet assessed the theological significance of democratic capitalism.*<sup>23</sup>

Novak then proceeded to assess the theological significance of democratic capitalism through his own eyes, that of a Christian theologian.<sup>24</sup>

Even Karl Marx and Frederick Engels acknowledged the awesome material accomplishments of capitalism in their seminal work, *The Communist Manifesto*.

*The bourgeoisie, during its rule of scarce one hundred years, has created more massive and more colossal productive forces than have all preceding generations together. Subjection of Nature's forces to man, machinery, application of chemistry to industry and agriculture, steam-navigation, railways, electric, telegraphs, clearing of whole continents for cultivation, canalization of rivers, whole populations conjured out of the ground – what earlier century had ever a presentiment that such productive forces slumbered in the lap of social labor.*<sup>25</sup>

Novak, however, believed that variant forms of capitalism could exist apart from a democracy, but he believed the “natural logic of capitalism leads to democracy.” He believed this so strongly that he referred to the other forms as bastard forms of capitalism.<sup>26</sup> This is all important to the eschatology of capitalism if it is to be understood that capitalism must be accompanied by political and economic freedom if the economic system is to be truly regarded as capitalism. In other words, capitalism is more than the application of capital, technology, and marketplace transactions to the production and distribution of scarce resources.

It is above all, from both Friedman's and Novak's perspective – and this author's as well – to be rooted and nurtured in the free choices of those individuals who constitute the populace of the social order in which the economic system is located, protected, and encouraged. But Friedrich August von Hayek (1899-1992), the Nobel Prize winning Austrian economist, upped the ante regarding the requirements of what must undergird a democratic capitalistic economic/political society if it was to survive and prosper: “...a prosperous economy required a sound moral order.”<sup>27</sup>

But there is an irony that accompanies democratic capitalism that is ever undermining its material accomplishments. The irony is this: capitalism's successes in the political order and in the economic order undermine it in the cultural order.<sup>28</sup> Novak goes on to list seven indictments against capitalism:

- (1) The corruptions of affluence. Moral discipline yields success. But success corrupts moral discipline.
- (2) Advertising and moral weakness. The leaders of the economic system permit advertising to appeal to the worst in citizens.
- (3) Structural irresponsibility. The leaders of the political order...[promote]...promises of benefits [that] become a special form of bribery endemic to democracy.
- (4) An ambitious adversarial class. The number of people increase who see in expanded government: empires to conquer, personal security, wealth to accumulate, and personal power to acquire.
- (5) The declining status of aristocracy. The leaders of the moral-cultural sector[academic-church-artistic sectors] have long suffered under the market system of democratic capitalism from a profound loss of status (which in recent times they have been regaining due to their domination of



the media).

- (6) Envy. In democratic capitalism, the resentments of the intellectuals are bound to fester. Monetary rewards for high intellectual and artistic talents...are more frequently less than rewards for top performers in corporate management, athletics, and entertainment.
- (7) Taste. The culture of democratic capitalism is loathed – with perhaps the deepest loathing – for its ‘bourgeois’ and ‘philistine’ tastes. Thus the loathing is most exactly directed at the market mechanism... [that]... encourages ‘consumer sovereignty’ [that is thought to be] bad for ordinary mortals.<sup>29</sup>

Friedrich Hayek wrote a political book in 1944 entitled *The Road to Serfdom*<sup>30</sup> based on his earlier article, “Freedom and the Economic System,” that first appeared in April, 1938 in the *Contemporary Review*.<sup>32</sup> Hayek had observed first hand the tendency of people to gravitate toward collectivism with its throttling influence on the freedoms of and for the individuals, or as John Chamberlain wrote in the Forward of *The Road to Serfdom*,

*When ‘society’ and the ‘good of the whole’ and ‘the greatest good of the greatest number’ are made the overmastering touchstones of state action, no individual can plan his own existence.*<sup>32</sup>

Milton Friedman, Michael Novak, and Friedrich Hayek all emphasize the close association between economic freedom and political freedom. But more important to the eventual conclusion of this treatise, the eschatology of capitalism can only be contemplated against the backdrop of the political environments within which capital is employed to produce and distribute scarce resources. It is historically clear that traditional economic systems were not the moving force giving rise to capitalism in any of its forms – democratic, regulated, or controlled.<sup>33</sup> And the command economic systems, through their gov-

erning processes, suppress the innovative spirit of those who might deviate from the directives of those in charge – freedom is subordinated to defined objectives.<sup>34</sup> The free market economic system on the other hand is a “new economic baby” in the world and its ability to sustain its life is the question before us.

So, what is capitalism? It is an economic system that exists in the context of a political system where both arrangements adhere to the following tenets:

- Freedom (strictly voluntary) is fosterer for the:

Free people living in a...

Free society where...

Free choices/decisions regarding the creation of goods/services, prices, and distribution are encouraged and promoted.

- Private ownership of capital through – proprietorships, partnership, and corporations.
- Competition existing in an atmosphere where there is an – absence of any inequitable and unagreed upon artificial restrictions or limitations to the entrance and exit from open/free markets.

This is free capitalism. It is an economic system full of tempting freedoms!

## THE BIBLICAL ANTECEDENTS TO CAPITALISM

It is important, however, that we not baptize an economic system with a particular Biblical interpretation or anoint a particular economic arrangement with a false blessing that discredits the deity in whose name the approval is offered. It is important to ask, is the economic process being defended or promoted compatible with the values incorporated in the literature of the revealed faith base that underlies the world/life-view of the supporters of the economic arrangement being

examined? To answer this question we will now examine six Biblical values that appear to be highly compatible with capitalism.

## BIBLICAL VALUES THAT ARE COMPATIBLE WITH CAPITALISM

### Freedom

Is there any condition of the human spirit that is more important to the Creator God than that of His image bearers' ability to enjoy the freedom to choose? This privilege of choice was granted to God's first image bearers from the day of their creation. Indeed, granting choice to His image bearers seemed to be so important in the mind of God that He chose to endow humanity with the freedom to choose even knowing that its exercise would cause their death, necessitate the incarnation of God the Son,<sup>37</sup> and His Son's subsequent life, sorrow, death and resurrection.<sup>38</sup> Indeed, it is hard to conceive of any ability with which God endowed His image bearers as being more important than that of their having a free will.<sup>39</sup>

The leader Joshua challenged the people of his day to "choose for yourselves today whom you will serve...but as for me and my house, we will serve the Lord." And Christ asserted that all people were either slaves of sin or servants of righteousness and that He had come from the Father to set people free from their servitude to sin by telling them the truth about God, and themselves.<sup>41</sup>

Biblically, however, freedom is to be distinguished from license – disregard for righteousness. Biblically, freedom is to be limited by the revealed character of God; apart from God, freedom has no constructive meaning. We will return to this point later, but an important issue for our time is: can free capitalism survive in a society where freedom has lost the moral restraints that are associated with both self control (a fruit of the Spirit) and the restraints of society's laws?<sup>42</sup>

### Work

Work, family, and worship were all three within the scope of our first parents' comprehension before their fall.<sup>43</sup> The fall polluted work in two ways. First, the created order itself fell along with our first parents and thereafter resisted

yielding its potential benefits without humanity's struggling to gain its latent blessings.<sup>44</sup> The created order itself now resisted yielding its own potential. It fought back, if you like. But second, work itself became associated with toil and sorrow.<sup>45</sup> The human body and mind found work hard, tiresome, and unexciting after the fall. Work was necessary to live but not very exciting. The Book of Proverbs is full of admonitions regarding work for the sluggard, the drunkard, and those without motivation toward their work.<sup>46</sup>

Work for some people, however, provides them with the opportunity to disclose their belief in themselves, their thirst for wealth, security, and/or power, and their unintended repudiation of God as the Sovereign Provider.<sup>47</sup> Christians on the other hand often find their work to be an integral aspect of their redemption – they serve God as they do their work to glorify Him.<sup>48</sup> Regardless of humanity's attitude toward work, God instituted it as a core expectation for His image bearers.

### Personal Initiative/Responsibility

Taking responsibility for one's own life is a value of considerable importance in the Bible. Statements like "make it your ambition to lead a quiet life and attend to your own business and work with your own hands" are a fairly common Biblical exhortation.<sup>49</sup> God's conversation with Cain regarding his need to do well and for his need to master his own conduct set a standard for all of God's image bearers.<sup>50</sup> We are to do good to all men whenever the opportunity presents itself.<sup>51</sup> And taking the initiative to better one's position in life, if and when such an opportunity presents itself, is also commendable in the sight of God.<sup>52</sup> But whatever we do, we are to do it to the glory of God.<sup>53</sup>

### Creativity

The Psalmist, when considering the wonder of God's creation, asked, "What is man, that Thou dost take thought of him?" He immediately followed this question though with the affirmation, "Yet Thou hast made him a little lower than Elohim [God or God-like angels]...Thou dost make him to rule over the works of Thy hands; Thou hast put all things under his feet..."<sup>54</sup> And elsewhere we read, "...the Lord said, 'and now

nothing which they [humans] purpose to do will be impossible for them.”<sup>55</sup> The creative capabilities of humanity are resplendently displayed throughout the earth through architecture, art, music, technology, medicine, means of transportation, household and scientific products, entertainment, services, etc. Yet it must be acknowledged that people living in some economic/political environments have been more creative and productive than those living in alternative social structures. This is simply an observable reality.

#### Stewardship/Accountability

Biblically, our dominion and rule over God’s created order is also followed by a time of personal accountability. The world and all that is in it belongs to the Lord,<sup>56</sup> but our superintending activities over what is rightly God’s are accompanied by the certainty that the record of our stewardship will be openly examined by the Lord.<sup>57</sup> In fact, the intentions, thoughts, and motives that accompany each act of stewardship will be disclosed in the presence of the Lord at the time that our accounting is given.<sup>58</sup>

Freedom, work, creativity, personal initiative/responsibility, and stewardship are certainly five values that are set forth in Scripture that have played a significant role in free capitalism. And it could be fairly easily demonstrated that freedom has had a significant positive impact on three of these values – work, creativity, and personal initiative. It could also be argued fairly that freedom, accompanied by humanity’s ubiquitous sin nature, has in many cases resulted in poor stewardship and the individual’s propensity to avoid personal responsibility for his or her behavior, however measured.

#### Charity

God has set the example: He has freely given us all things.<sup>59</sup> And He desires that we would be generous and loving even as He is. He gives His temporal blessings to the evil and the good, and to the righteous and the unrighteous.<sup>60</sup> Indeed, we are taught that “It is more blessed to give than to receive.”<sup>61</sup> The Macedonians were commended by the Apostle Paul for their generosity when he noted that “their deep poverty overflowed in the wealth of their liberality.”<sup>62</sup> Being liberal in one’s

giving is called a gift from God<sup>63</sup> as it reflects God’s own character of which He desires us to partake.<sup>64</sup>

Let us now turn to the question: did God institute a social/economic structure for His chosen people that favored one type of economic arrangement over other contemporary prevailing structures in the historic period when His people entered the Promised Land? This author believes that God did institute an absolutely new economic arrangement at that time in history; an arrangement that would disappear with the later collapse of the Jewish state; and an economic arrangement that would reappear under a different political umbrella in the West in the eighteenth and nineteenth centuries.

#### THE DISTRIBUTION OF THE PROMISED LAND

If one believes that the Promised Land was selected by God and given to the descendents of Abraham that were related to him through the lineage of Isaac, not Eliezer of Damascus<sup>65</sup> or Ishmael,<sup>66</sup> then it is just as appropriate to interpret the account of the distribution of the land as having been established by God, and administered through the hands of Moses and Joshua. The events and economic [land] structure are not interpreted by either Jews or Christians as being of mere chance – the land was divided by lot and “the lot is cast into the lap, but its every decision is from the Lord.”<sup>67</sup> The division of the land had God’s intentions incorporated in it.

And just what does the distribution of the land by lot reveal? The table below reveals that the casting of lots did not result in the equal distribution of the land according to the census taken of the tribes – equitable, yes, but certainly not equal.<sup>68</sup>

It is evident from the data that only the tribes of Asher(5.) and Naphtali(8.) received land masses that corresponded to their size of tribe rankings. Manasseh, the sixth ranked tribe by size got the most land and Benjamin the seventh largest tribe got the smallest distribution of land. This pattern of distribution did not continue, however, when the land that was given to a tribe was subsequently parceled out to the individual families within the tribe. Within the tribes, the land was



TABLE 1

**Tribes Ranked by Size<sup>69</sup>**

1. Judah – 76,500
2. Dan – 64,400
3. Issachar – 64,300
4. Zebulun – 60,500
5. Asher – 53,400
6. Manasseh – 52,700
7. Benjamin – 45,600
8. Naphtali – 45,400
9. Reuben – 43,730
10. Gad – 40,500
11. Ephraim – 32,500
12. Simeon – 22,200

**TOTAL: 601,730**

**Tribes Ranked by Land Mass<sup>70</sup>**

1. Manasseh
2. Simeon
3. Judah
4. Gad
5. Asher
6. Reuben
7. Ephraim
8. Naphtali
9. Dan
10. Issachar
11. Zebulun
12. Benjamin

divided so that the larger families got more land than the smaller families – it was divided proportionally.<sup>71</sup>

With the exception of the Levites, who were given forty-eight cities with the surrounding pasture land: six cities of refuge to which manslayers could flee, and forty-two other cities,<sup>72</sup> every family in Israel was given their own private property [raw, undeveloped land] with instructions that protected each family from being permanently disinherited. The God given laws protected the individual families from losing their lands through their children marrying the children of other tribes and subsequently transferring land titles through inheritances,<sup>73</sup> or by a head of a family deciding to sell his holdings and thereby disinheriting his children. These possible consequences were to be governed by the jubilee regulation – all land was to revert to the family of the original land holders every fiftieth year.<sup>74</sup> And many laws that we associate with private property rights and free markets were established in the laws of Israel – establishing and preserving property boundary markers,<sup>75</sup> just scales and weights,<sup>76</sup> regulating

interest payments,<sup>77</sup> etc.

The Promised Land was divided up and occupied between 1200-1020 BC<sup>78</sup> but the Israelites were subsequently conquered, exiled, returned from exile, lived under the yoke of other governing authorities, and ceased to be a power player in the international geopolitical/economic arena in either the Middle East or the West. But the subsequent coming of the Messiah, the writing of the New Testament, and the gradual but persistent emergence and formation of what might be called a shaping and directing Christian world/life-view in the West proved to be the womb for the rebirth and assertion of the Biblical values outlined above. We will now turn our attention to the reassertion or rebirth of these Biblical values and economic arrangements.

### THE EARLY SEEDS OF CAPITALISM IN THE WEST

How did people in the West in the period between 1000 AD and 1600 AD provide for their material needs? The answer is an evolving or

transitioning one. These have been referred to as the Dark Ages but they were not terribly different from the first ten centuries AD. But they were the days before the enlightenment and the reformation. And if someone is going to think of him or herself as enlightened, then those not so enlightened must be considered in the Dark Ages.

#### MEDIEVAL ECONOMIC CONDITIONS

In antiquity Aristotle (348-322 BC), the first person to formally record his views on “economics,” divided the subject into two parts: *oekonomia* – “the art of household management, the administration of one’s patrimony, [and] the careful husbanding of resources,” of which he approved; and *chrematistike* – the use of human skill and resources for the purpose of making a profit, of which he disapproved. Aristotle’s dislike of the profit motive is very much alive today and an underlying reality in the economic/political tensions that have been ever present in every generation since the grudging acceptance of the profit motive by the self-appointed/presumed intelligentsia upon the demonstrated success of free capitalism. Artisans, academicians, politicians, and those with inherited status overwhelmingly find the profit motive to be suspect – crude, immoral, dehumanizing, undignified, and uncouth. If this is so, what forces led to capitalism’s emergence and eventual economic prominence?

Along with the political dissolution of the Roman Empire came huge economic implosions. Safety and security broke down. Trade between cities in foreign lands became extremely hazardous. Common currencies and the rule of law disappeared. Disease and invading conquerors depopulated the countryside. As a result of this contraction, survival through self-sufficiency became the norm. The hallmark of the Middle Ages was an insular economic life.<sup>80</sup>

The new insular life gave rise to the manorial estate: thousands of acres of land ruled over by an abbot, bishop, baron, feudal lord, or self-proclaimed lord of the manor. The manor lord was not only the owner but also the protector, judge, police chief, and administrator. His estate typically included a large manor house, a walled area that extended beyond the house that protected workshops, where cloth might be spun or woven,

grapes pressed, food stored, simple ironwork or blacksmithing work performed, [and] coarse grain ground. Beyond the manor wall there was typically a patchwork of fields...divided into acre or half-acre strips, each with its own cycle of crops...Half or more of all these belonged...to the lord; the remainder belonged, in various senses of that legal term, to the hierarchy of free, half-free, and un-free families who made up an estate.<sup>81</sup>

Security was the attraction and reward of the manor life. But even with what was considered security 46% of the sons of English dukes living between 1330 and 1479 experienced a violent death, with the average life expectancy, excluding violent deaths, being 31 years. If violent life experiences are included in the calculations, the expected life span was only 21 years. The peasants, whether called freemen or serfs, were helpless apart from the protection they might receive from the manor lord on whose land they lived. They had no protection for either their life or their meager possessions apart from that found on the manor.<sup>83</sup>

Beside the feudal manors, however, there were a number of scattered towns, even if in ruinous condition, that survived their Roman beginnings. And every town had its stalls to which peasants brought some portion of their crop for sale. The common law and customs differed between the manors and the towns and the towns became known as places where city air makes men free. Traveling merchants would come to the fairs that were periodically held in the towns and where trade was carried on. And the city burghers established guilds – the trade, professional and craft organizations. The various guilds were comprised of craftsmen who were glaziers, masons, expert armorers, metal workers, weavers, dyers, etc.<sup>84</sup>

*The dominant figures in the guild were the guildmasters – independent [producers], working in their own houses and banding together to elect their own guild government which then laid down the rules concerning the internal conduct of affairs. Under the master guildsmen were their few journeymen...who were*

*paid by the day, and their half-dozen or so apprentices, ten to twelve years old, who were bound to them for periods of three to twelve years as their legal wards. In time an apprentice could become a journeyman and then, at least in medieval romance, graduate to the status of a full-fledged guildmaster on completion of his masterpiece.*<sup>85</sup>

The guilds were paternalistic. The driving force behind the guilds was not that of making money. Competition was to be avoided. "The terms of service, the wages, the route of advancement of apprentices and journeymen were all fixed by custom." Even the selling was regulated. Heaven forbid if one were found guilty of cornering a needed supply of materials or of buying at wholesale to sell at retail. Advertising was forbidden. To advance beyond one's fellow guildsmen was interpreted as disloyalty.<sup>86</sup>

Economics in the medieval period was a matter of subsistence. It did not play a dominant role in the social order of things; then what did?

*It was the Church, the great pillar of stability in an age of disorder, which constituted the ultimate authority on economics...The economics of medieval Catholicism was concerned not with credits and debits of successful business...[but] with...the souls of business operators.*<sup>87</sup>

R.H. Tawney believed the assumption of that day was:

*...economic interests are subordinate to the real business of life, which is salvation...[and that] economic motives are suspect...[and] need...repression.*<sup>88</sup>

What could change such a perception?

#### FORCES OF CHANGE THAT GAVE RISE TO FREE MARKETS & CAPITALISM

Robert Heilbroner suggests thirteen forces as those being responsible for the demise of the rigid traditions and changelessness that seemed to hold the economic attitudes of the medieval period in bondage. His candidates for consideration were:<sup>89</sup>

- 1) The itinerant merchant
- 2) Urbanization
- 3) The Crusades system
- 4) The growth of national power
- 5) Exploration
- 6) The change in religious climate
- 7) The breakdown of the manorial system
- 8) Land, labor, and capital
- 9) The enclosures
- 10) The factors of production
- 11) The rise of the profit motive
- 12) The workings of competition
- 13) The market system and the power coming into being; rise of capitalism

1) The merchants who traveled from manor to manor and from town to town brought with them tales of far away places. It has been said that the peasants of this period had probably never seen more than two or three hundred people in their lifetime and had a vocabulary of no more than six hundred words.<sup>90</sup> But the tales of events and places they and those who accompanied them talked about fostered inquisitiveness and excitement in addition to the products they brought for sale.<sup>91</sup>

2) A byproduct fostered by the itinerant merchants was their encouragement of urbanization – the springing up and development of new towns and the growth of old towns and cities. The merchants, when they stopped, sought the protection of a church, town or castle. This in turn attracted the people from the surrounding area. The tents (and later shops) that sprung up around the protective entity became trading centers. But the newcomers were not officially part of the city or church or manor. How were they to be taxed or assimilated into the social order? New ways of thinking and governing were slowly devised. Urban growth was slow but steady. "During the 1000 years of the Middle Ages nearly 1000 towns were fathered in Europe...[and] each town had its local marts, its local toll gates...its local mint; its granaries and shops, its drinking places and inns, [and] its air of 'city life'..."<sup>92</sup>

3) The Crusades took with them thousands of people – the royals and the peasants – all over southern Europe and the Middle East. Many peasants who left penniless came home with money to spend. A taste of new economic freedom was introduced. And new expectations were stirred.<sup>93</sup>

4) Only England retained a sense of being a political entity following the fall of the Roman Empire. Europe, by contrast, was a fractured mess. A merchant traveling one hundred miles in Europe might cross a dozen sovereignties each with different rules, regulations, laws, weights, measures, [and] money. Toll gates were the norm at each boundary crossing. It required centuries of working together – monarchs and bourgeois – to gradually bring the scattered independent territories together to form larger political/economic entities.<sup>94</sup>

5) The emerging political powers of this era began sponsoring the exploration of the world that was beyond the boundaries that were already known. The route to the Far East, by the fourteenth century was so well known and traveled that silk fabrics from China only cost half of what Caspian silks cost. Explorers like Columbus, Vasco da Gama, Cabral, and Magellan were outfitted and sponsored by monarchs; but their adventures stirred the imaginations of thousands, and the thirst for riches, far and wide.<sup>95</sup>

6) The Roman Catholic Church, as stated earlier, was the only historically identifiable entity that remained intact within the boundaries of the multitudinous feudal/manorial kingdoms that survived the fall of the Roman Empire. The Church taught, forbade, sanctioned, regulated, and involved itself in every affair of life. It exercised its authority in conjunction with the authority of the manor or feudal lord, and frequently even had great sway over the activities of the local ruler – they were often allied. Over time the rulers even came to fear the Church's power as it gradually became the dominant power.<sup>96</sup> And the church actively taught that business was a dangerous place to spend one's time.<sup>97</sup>

The Church often branded profits sinful. Lending money at interest was made illegal.

Excommunication was the penalty for such conduct – deemed an eternal consequence. This was considered to be for the good of all for famines and plagues of that day had released the forces of greed.<sup>98</sup> The guilds were sanctioned by the Church that in turn established just wages and just prices. It was all designed to maintain the status quo.<sup>99</sup> The pre-reformation Church was a powerful political/economic force. It was the protesting churches that provided the old concern for salvation with a new formulation and a new channel for expression.<sup>100</sup> (This last point will be discussed later.)

7) The manor system slowly eroded. The feudal or manor lords lived in an economic environment built upon a system of economic payments known as payments in kind – one's labor (so many days of work), one's produce or animals, etc. Money was not originally a part of economic exchange on the manors. The growing urban areas with their marketplaces, however, saw the rise in the use of money to create exchanges. So over time the payments in kind gave way to payments in money for rent, taxes, and other obligations. This gradual monetization of the economy had profound impacts on who had economic power – those with money, not those who received payments in kind. Life's transactions and possessions began to be spoken of in terms of money.<sup>101</sup>

8) With the monetization of economics, *labor, land, and capital became commodities*. Labor slowly shifted from being thought of as a social relationship – a serf to a manor lord; an apprentice to a guildmaster – to being considered a commodity for sale to the highest bidder. Land holdings that had been taken through conquest or granted by a king also gradually assumed a value that could be quantified in terms of money and thus could and did gradually become available for sale for the first time in the history of Western Europe. The feudal hierarchy gradually gave way to the guildmasters who over an extended period of time metamorphosed into capitalists with their accumulated money (capital).<sup>102</sup>

9) The enclosure movement becomes a reality. The Roman Empire had been built upon an enormous body of law that had provided security to generations of Roman citizens all over the Roman world. With the collapse of the Roman Empire the structure of law disappeared but an interest in it did not. The seeds of law began to reemerge in the Dark Ages and unmistakably bore the marks of the older Roman practices.<sup>103</sup> The reemerging law first appeared in the form of common law practices and then evolved into enacted law which played such a central role in the transition from the “common land” practices observed on the manors to the eventual fencing or enclosures that restricted the use of the land so that the peasants were gradually denied access to what had formerly been common land. This transition reached its climax in the eighteenth and nineteenth centuries when many tenants were simply forced off the land and sought to support themselves and their families in the towns and urban centers as wage earners.<sup>104</sup>

10) Labor, land, and capital become factors of production. Human labor is not merely freed from the manorial social structure, nor does the worker merely become a wage earner, the worker gradually becomes a specialized subset of a new and evolving process of performing a specific task in a production process where specialization becomes important and a new social arrangement is created – we work together. The land suddenly is something more than just soil. It has a location value and a content value – its minerals, etc. Land emerges as a factor of production that transcends simple agriculture. It has other productive values. And the monetization on economic transactions also is accompanied with the acquisition of artifacts that can be applied to the process of producing goods – capital machinery, etc. Production begins to supplant the craftsman.<sup>105</sup>

11) The profit motive is ignited. In the old manorial system buying and selling a few eggs or one's excess produce in the town were subsidiary activities. The sellers did not depend upon such transactions for their subsistence. Nor were they motivated essentially by the idea of making a

profit. The newer monetization of transactions had simply made trade simpler – I sell my eggs; I receive money; I buy cloth; and this process does not depend upon the cloth merchants wanting my eggs. Money made trade easier. But as more and more people earn wages and more people find themselves in the role of producing and selling goods, those who produce and sell goods realize the necessity of ending their transactions with a profit. And their success begins to be measured by their profit making abilities. And soon more and more people find themselves being motivated by the making of profits. A new force is now at play in the social and economic structures.<sup>106</sup>

12) Competition is Born. The Roman Catholic Church had worked with the guildmasters and feudal/manor lords to establish just wages and just prices in an environment where competition was strongly discouraged. Thomas Aquinas (1225-1274) even wrote,

*It is wholly sinful to practice fraud for the express purpose of selling a thing for more than its just price, inasmuch as a man deceives his neighbor to his loss.*<sup>107</sup>

It was thought that profits had to be regulated. And the only institution with the power to do so was the Roman Church. But as urbanization; the breakdown of the manorial system; the reformulation of how land, labor, and capital were perceived; the emergence of the factors of production; and the rise in the profit motive all began to coalesce, competition did in fact, regardless of whether or not it was wanted or embraced, appeared in the social order of things and gradually became a real force.

It was the Scottish moral philosopher Adam Smith (1723-1790) who eventually provided a moral framework within which competition could be conceived of as a natural and beneficial economic agent. Smith believed:

*...the capitalist proprietor...was not [to be] regarded as a paragon of virtue. Indeed it was Smith's distrust of businessmen which led him to place so much emphasis on the desirability of competition. Because businessmen were always*



*conspiring against the public, he said, laws and regulation would not protect the public from exploitation, the best way to restrain the social evils arising from business unscrupulousness, Smith felt, lay in vigorous business competition whereby over-reaching by one ambitious entrepreneur would be nullified by lower prices or better commodities offered to the public by his competitors.*<sup>108</sup>

Even though Adam Smith created his seminal work, *An Inquiry into the Nature and Cause of The Wealth of Nations*, first published in Scotland in 1776, it was seventy years later before it drew the attention of practitioners and policy makers who adopted its philosophical rationalization to justify their unphilosophical desires.<sup>109</sup>

13) The market system is given birth. The seeds of a market system were germinating with the early world traders and itinerant merchants. It began to take on a money form in the towns and urban areas. The Crusades and subsequent movement toward worldwide exploration furthered the forces that would eventually become the underpinnings of a market that was free of the old constraints placed on economic activity by the church and the feudal and manor lords that historically called the shots. The growth in the monetization of economic activity stimulated the emergence of the things we now call the factors of production – labor that is free to seek employment where it will; land that can be bought and sold for an agreed upon monetary price; and the economy of savings (parsimony) that motivated entrepreneurs to seek ways to invest their surpluses to gain even greater surpluses of capital. All of these forces interacted with each other over some seven or eight hundred years and became the feedstock for capitalism that eventually emerged in the nineteenth century as financial capital began to be invested in mechanical/production capital.<sup>110</sup>

## **CAPITALISM'S COCOON: THE RENAISSANCE AND REFORMATION**

Societies can be thought of as mixtures of economic, political, religious, and cultural com-

ponents all interacting and stimulating each other. During the period from 1350 to 1750 two powerful change agents slowly emerged that historians have subsequently designated the renaissance and reformation (R/R). Initially the two movements were indistinguishable. They were mutually supportive and complimentary. But by the nineteenth century they were separated by irreconcilable world/life-views that are perhaps best seen in the Old R/R Values and New Empiricist/Rationalist/Existentialist Values (New E/R/E Values) depicted in Diagram 1.<sup>111</sup>

The R/R transitional forces, at work from the medieval period to the advent of modernity, generated an environment in which capitalism was incubated and began to grow. These two forces were spontaneous in character – unplanned.<sup>112</sup> The Old R/R Values arose and matured between 1350 and 1750 and those who lead the two movements were initially, for the most part, of the same mind. In the minds of the early renaissance and reformation thinkers there was no conflict between the canon law, natural law, Judaic/Christian beliefs/values, and the reemerging Greco/Roman system of laws that had been gradually tweaked over the centuries to incorporate Biblical presuppositions as they were applied to social and economic justice.

The peace that prevailed between the early thinkers of the renaissance and reformation began to erode however over time. From this ferment emerged a competing set of values called the New E/R/E/ Values that gave rise to what has come to be called modernity, and the schism between them continued to become greater over time. We will now look at some of the forces at work in the emergence of these two value bases.

## **SELECTED FORCES OF THE RENAISSANCE**

1. The belief that people are better ruled by law than by the character and whims of depraved kings, queens and feudal lords was slow to emerge to the conscious levels of human reason, but it did. Acceptance of the rule of law promoted self-control and made external restraints less acceptable. Law was seen as a protector against the arbitrary and unjust conduct of those who would engage in business and those who gov-

erned. Common practices became common law, and common law was subsequently codified in statutory law. With this came an interest in the physical laws and natural laws.<sup>113</sup>

The merchants, during the R/R period, established a court system to adjudicate disagreements between merchants. The jurors were selected by the merchants from amongst the merchants to hear claims and counterclaims regarding disputed verbal contracts.<sup>114</sup> All of this had a profound impact on the stability of the economic system of the day. We take such stability for granted but in an environment where the capricious decision of a manor lord to confiscate the possessions of a serf had previously been both rather common and acceptable the emerging rule of law was transformational. Look at items 1, 7, 12, 2, 14, and 9 in Diagram 1. Who would want to work, sacrifice and take the risk to generate savings in order to make an investment in an effort to accumulate

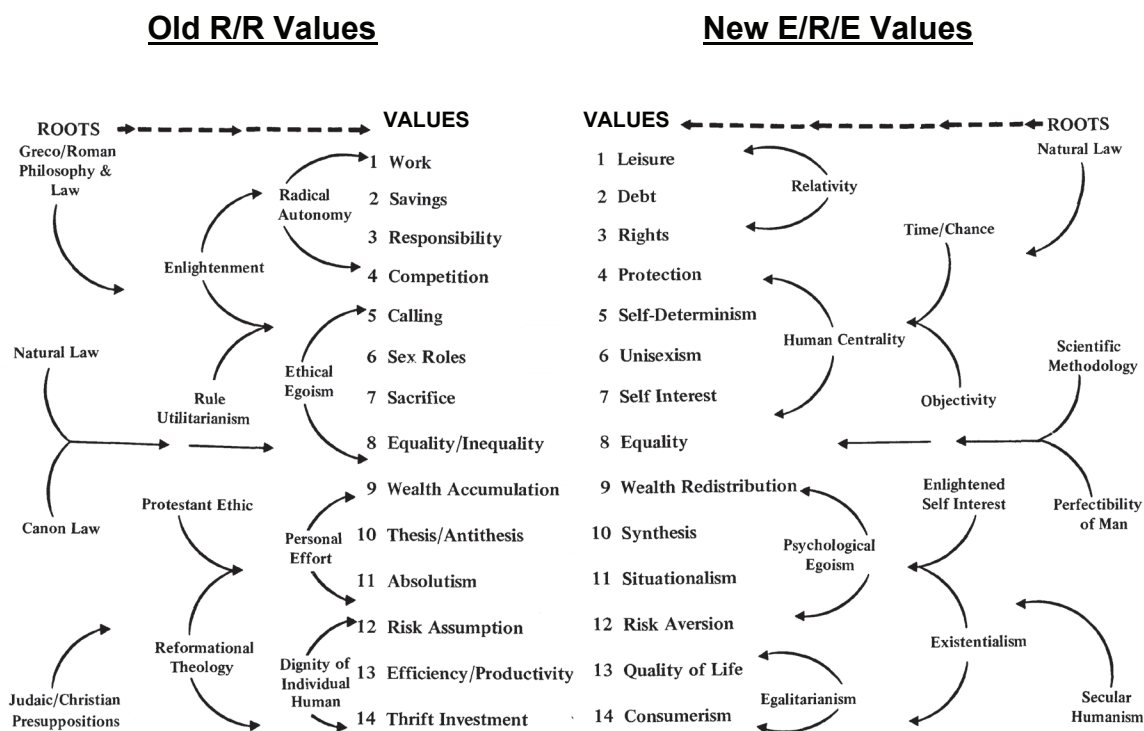
wealth if someone else could confiscate it without recourse?<sup>115</sup>

2. New ideas and thoughts burst upon the scene during the R/R period. We take for granted magazines, newspapers, books, radios, televisions, etc. None of those existed in the R/R period until Johann Gutenberg (1400-1468) developed the moveable type which permitted the eventual printing of the Bible and other selected manuscripts. But even with the advent of printing, few could read.<sup>116</sup>

Two new streams of ideas came soaring across Europe and England in this period of time. The first was a whole new set of emerging ideas and theories regarding the physical universe and how people should approach it. The second finds its roots in the Reformation and will be covered later but it concerned itself with political theory, human rights and responsibilities.

Men like Nicolaus Copernicus (1473-1543)

**Diagram 1**



used mathematics to demonstrate that the earth rotated around the sun and not vice versa – the Roman Catholic Church vehemently opposed this idea;<sup>117</sup> and Francis Bacon (1561-1626)

*called for a separation of reason and revelation. He believed this would have the advantage of facilitating the pursuit of genuine scientific knowledge which, properly and systematically applied, would quite quickly transform human life for the better.*<sup>118</sup>

Galileo Galilei (1564-1642) built on the work of Copernicus – the Roman Church rejected his work too – and he espoused the belief that the book of nature is written in the language of mathematics which cut across the prevailing qualitative (not quantitative) thinking of his day.<sup>119</sup> Rene Descartes (1596-1650) believed that reasoning, based on mathematics, was the only legitimate model for advancing true knowledge. He challenged almost all of the prevailing presuppositions of his day even though he reinstated many of those that he himself challenged.<sup>120</sup> Descartes is considered by many to be the father of modernity.

For millenniums people had conceived of the world as an incomprehensible reality that could only be thought of as being associated with one's concept of a deity. Then suddenly with the onset of the renaissance many people were stirred to begin thinking of the universe as a mechanical object that could be understood by human reason.<sup>121</sup> In England, the working of things became extremely popular. As a result

*The famous Royal Academy (of science), of which Newton [Sir Isaac: 1642-1727] was an early president, was founded in 1660 and was the immediate source of much intellectual excitement. Indeed, a popular interest in gadgets, machines, and devices of all sorts soon became a mild national obsession...*<sup>122</sup>

3. The thinking that began to emerge from the men briefly described above, and many more like them, opened the door to the issues surrounding truth verification and proving reality that eventually led to the splitting apart of the renaissance forces from the reformation body of thought and

reason. Faith and reason became separated in the minds of many intellectuals. Mankind was given the new task of determining reality rather than accepting reality. Proof as a concept was swallowed by the scientific methodology to the point that the historic/legal means of verifying single-occurrence historic events witnessed by perhaps hundreds of people vanished from people's ideas regarding logic, verification, and proof.<sup>123</sup>

It was the splitting asunder of the presuppositions (beliefs) about how humanity was to verify his and her genesis, purpose, and final end that gave rise to the New Empiricist/Rationalist/Existentialist Values that are set forth above on the right hand side of Diagram 1. These new values came from the renaissance, not the reformation. And this is critical to remember for if Friedrich Hayek, Milton Friedman, Michael Novak and this author are correct capitalism is rooted in and can only be sustained in an environment of values that have a sustainable moral foundation undergirding the culture in which the economic enterprise is being carried out. (We will return to this matter when we address the eschatology of capitalism.)

#### SELECTED FORCES OF THE REFORMATION

1. Men like the Bohemian reformer John Hus (1375-1415), Ulrich Zwingli (1484-1531), Martin Luther (1483-1546), and John Calvin (1509-1564) sought to reform the Roman Catholic Church. They had no desire to either undermine or leave the Mother Church. They wanted reform. What did they want reformed?

The Church taught, forbade, sanctioned, regulated, and involved itself in every affair of life. The people feared the Church and loved it. They looked to it for guidance and protection. The churchmen were viewed as holding power over one's salvation. The Church symbolized life and hope.<sup>124</sup> Not only was the central concern of the day people's salvation, every aspect of life was viewed as part of one's personal existence so that every aspect of life was viewed as impacting one's salvation. The Roman Church in reality placed the Church – the priests – between the people and God. The Church by this was seen as controlling one's salvation.<sup>125</sup> The reformers

rejected much of its dogma.

Martin Luther repudiated the notion that people could merit or earn their salvation by obeying the canon law or the rules of the Church. He believed strongly in obedience but he believed that obedience was to be a response of love that acknowledged God's absolutely free grace and mercy. This represented a whole new spirit, attitude, and direction with regard to how one stood in Christ before God, and this reformed understanding was echoed by all of the reformers. It represented a new comprehension of how one was to approach God: in Christ; under the authority of scripture; by God's grace; and not by good works or the blessing of an institution, the Church, and its personnel.<sup>126</sup>

2. Ideas regarding political theory, human rights, and personal responsibility also came to the forefront during the R/R time period. The ideas set forth by John Locke (1632- 1704), for example, became very influential. Locke was a theologian with deep religious and moral convictions, a medical doctor, and a philosopher. He was an advisor to the British Minister of State and later to the Queen. He was an Oxford Scholar whose works were written down and well documented. When he practiced medicine he became the personal physician of the Earl of Shaftesbury and lived and worked in London amongst the highest British leadership.<sup>127</sup>

Locke's

*...political theory rests on the assumption that the moral law is an 'eternal verity' that guarantees every man certain inalienable rights and imposes certain duties.*<sup>128</sup>

This for him was the state of nature. He also believed that

*no one ought to harm another in his life, health, liberty, or possession; for men being all the workmanship of one omnipotent and infinitely wise Maker; all the servants of one sovereign Master, sent into the world by His order and about His business; they are His property...*

Locke spoke with force also about political equal-

ity – never economic equality – and the need for the consent of those who are being governed before actions were enacted that affected them were undertaken. He believed in the idea of majority rule, private property rights, and religious tolerance. And perhaps above all else, the state should be restricted by the concept of *laissez-faire* – the less government the better.<sup>130</sup>

Ideas like Locke's, and others who echoed him, gave rise to a whole new concept of the dignity of mankind within the religious, political, economic, and cultural spheres.<sup>131</sup>

3. The radical ideas of the reformers like Luther and Calvin were that:

- a) scripture was to be the sole authority and guide for life and faith
- b) individuals were responsible directly to God and not the church
- c) people did not merit nor could they earn their salvation. This raised two questions that needed to be answered:
  - 1) For what am I responsible?
  - 2) If I cannot earn my salvation then how am I to be assured that I am saved?

Luther answered the first question and Calvin the second one.

Luther emphasized the pre-fall and post-fall creation mandates: God's image bearers were created to worship God, have families, and work. It was the third of these three emphases that had its real impact in the marketplace. Luther taught that work was a calling from God and that all work was dignified. The milk maid, butcher, farmer, cobbler, chimney sweep, sailor, etc. were all to be understood as being called by God to their particular work.<sup>132</sup> But there was an almost excepted group: the merchant-middle class that was new and growing in number during this period of time. Luther was strongly against interest (usury) in any form, and he was opposed to the excesses of profit making. Luther resided in an agrarian feudal society and he wanted a number of the Church's rules governing business to re-



main intact.<sup>133</sup>

It was John Calvin and his followers who provided the needed justification for the merchant-middle class and who addressed the second of the two questions that needed answering. Calvin taught that interest charged in the business setting was nothing more than rent and as long as it was rent on money used in business, not money lent to the poor, there was nothing wrong with interest being charged. Calvin, along with Luther and the other reformed thinkers, taught that salvation and eternal life were free gifts made available to anybody who believed in the sinless life and substitutionary death and resurrection of Jesus Christ, the incarnate Son of God. Calvin taught though that those who believed in Christ should not be preoccupied with their salvation – God had promised that – but they should work hard in order to glorify God. Their work was to be an expression of their gratitude for their salvation. Their being willing to work hard, be thrifty, and subsequently be charitable with the wealth they accumulated would be proof of their salvation.<sup>134</sup>

Calvin did not assail profits, interest, or competition. Profits were a deserved fruit of one's labor. They represented good work that pointed to God's grace and spoke of His glory. Interest was useful in creating productive capital.<sup>135</sup> But Calvin's teaching that accumulated wealth was to be used to help those less fortunate seemed to fall on deaf ears. The majority of the emerging middle-class merchants manifested selective hearing. They voiced their favor regarding Calvin's teachings but selected only parts of it to be put into practice.<sup>136</sup>

#### THE VALUES FORGED DURING THE PERIOD OF THE RENAISSANCE/ REFORMATION

Rodney Stark is the University Professor of the Social Sciences at Baylor University. He was referred to in *TIME* magazine as one of the "25 Most Influential Evangelicals in America." He recently published a book entitled *The Victory of Reason* in which he argues that Christian theology is the greatest champion of reason that exists and that Christianity is the wellspring of enlightenment, freedom and progress. He argues that Christianity is most responsible for the

intellectual, political, scientific, and economic breakthroughs in the past one-thousand years.<sup>138</sup>

This perception is compatible with the thesis articulated earlier in this paper that there was no real conflict between the *reformation* and the *renaissance* as the two emerged simultaneously in Western Europe. It is because of this that the Old R/R Values identified in Diagram 1 are, by this author's estimation, most attributable to the influence of the Christian thinkers of that day. It is appropriate that we now take a very brief look at the 14 R/R values listed in the diagram.

Humans have found work hard and often distasteful ever since the fall of our first parents but the redemptive/God-glorifying potential for work was elevated to a new level that had a profound impact on the motives, intentions, and behavior of millions of people in the West during and following the R/R period. Savings (an economic surplus) had been a reality for many who ruled for centuries but it became a possibility for the common man only when the laws of the land protected the savings of the average citizen. Confiscation of one's surplus was all too common prior to the stability that the respect for the law brought with it. Personal responsibility was one of the theological themes of the reformation. Competition was slow to be blessed by any authority prior to the work of Adam Smith, but it was accepted, if not praised, when the Roman Catholic Church lost its control over the guilds. A personal calling from God was certainly new. Prior to the work and teaching of the reformers only priests, cardinals, and Popes thought of themselves as having a call from God. And the Biblical teaching regarding a man's responsibility for his family, family headship, and the role of the woman in the home (sex roles) were all propagated by the reformers who had a singular view on such matters during the R/R period. Deferred gratification and personal sacrifice became a hallmark for advancement in almost all arenas of life but especially in the struggle to gain and maintain freedom from tyranny in its many forms.

John Locke did more perhaps than anyone in making it understood both theologically and philosophically that equality before God was a Biblical standard that applied to all humans while inequality in an individual's abilities and



subsequent accomplishments was natural in the economic sphere of life. This belief gave rise to an understanding of the equality/inequality tension that was broadly accepted. Wealth accumulation grew in its acceptance as a byproduct of work, savings, and the other R/R values all working together. Thesis/antithesis thinking was never questioned in the face of the belief in Biblical absolutes regarding right and wrong, and “good” and bad. The whole idea of assuming risk went together like a horse and carriage in the burgeoning economic arena where the protections of the Church and state had been removed. And the competitive nature of the emerging market forces drove merchants and entrepreneurs alike to seek new and better ways to capitalize on any efficiency/productivity gains they might realize through their unequal abilities. And finally, investing one’s savings soon became a wise thing to consider for keeping one’s surplus in a place of hiding produced no return whatsoever. What was so astounding was how far and wide these fourteen values became accepted as a part of daily life in Western Europe, and subsequently in America.

These Old R/R Values had taken root so firmly in the economic arenas of England and Europe by the middle of the eighteenth century that John Wesley (1703-1791) wrote the following:

*I fear, wherever riches have increased, the essence of religion has decreased in the same proportion. Therefore I do not see how it is possible, in the nature of things, for any revival of true religion to continue long. For religion must necessarily produce both industry and frugality, and these cannot but produce riches. But as riches increase, so will pride, anger, and love of the world in all its branches. How then is it possible for Methodism, that is a religion of the heart, though it flourishes now as a green bay tree, should continue in this State? For the Methodist in every place grow diligent and frugal; consequently they increase in goods. Hence they proportionately increase in pride, in anger, in*

*the desire of the flesh, the desire of the eyes, and the pride of life. So, although the form of religion remains, the spirit is swiftly vanishing away. Is there no way to prevent this – this continual decay of pure religion? We ought not prevent people from being diligent and frugal; we must exhort all Christians to gain all they can, and to save all they can; that is, in effect, to grow rich.<sup>139</sup>*

Wesley observed first hand the temptations and accomplishments that accompany the application of human inquiry, energy, and talents in an economic environment where freedom reigns. But even deeper than this is the sin nature that permeates all humanity. The Apostle Paul wrote in Philippians 4:12, “I know how to abound,” but the English preacher Charles Haddon Spurgeon (1834-1892) wrote in his *Morning and Evening* devotional book regarding this matter:

*...it is a dangerous thing to be prosperous. The crucible of adversity is a less severe trial to the Christian than the refining-pot of prosperity...It is a divine lesson to know how to be full...it is harder to know how to be full than it is to know how to be hungry – so desperate is the tendency of human nature to pride and forgetfulness of God.*

Observations such as this will become important as the eschatology of capitalism is addressed later.

## THE SEEDS OF CAPITALISM CROSS THE ATLANTIC TO AMERICA

In the seventeenth, eighteenth and nineteenth centuries there was no land mass as vacant, uncharted, and without organized human dominion as that of the Americas, both north and south. Providentially those most influenced by the R/R forces in Europe, and hungriest for freedom of both a religious and economic form, crossed the Atlantic Ocean and settled in North America. They brought with them the values they had either helped form or had inherited in Europe and England. Regardless of whether or not they were conscious of the fact that their values were

grounded in a Biblically based Christian world/life-view (faith), they were nevertheless either Christian or culturally induced Christian values that under-girded the early institutions and communities that were formed in North America. And how did these values manifest themselves in this new environment?

The Colonial period was characterized by small-scale agriculture and very little manufacturing. Almost all consumer goods were imported from abroad. But within less than two centuries the American economy was not only a tremendous producer of goods and services it had also become a capital-generating giant that was able to provide for both its own needs and the capital deficiencies of the rest of the world.

*This remarkable transformation was to a large extent the consequence of technological progress, a complicated, many-sided movement that comprehends the substitution of natural energy for human exertion; the mechanization of industry, transportation, and agriculture; the standardization of equipment through the development of machine tools and precision instruments; and the development of mass production by means of specialization, division of labor, and scientific management.*<sup>142</sup>

One of the great enhancers of the phenomenal growth in the economic ability of our forefathers to develop an economic system built on the shoulders of capital that (through inventions) could be transformed into steam engines employed in railroads and steamboats – the work of the Scotsman James Watt (1736-1819); iron and eventually steel producing technologies; advanced agricultural equipment like Eli Whitney's (1765-1825) cotton gin; textile technology;<sup>143</sup> firearms made with interchangeable parts; and hundreds of other technology advancing enterprises that required larger and larger scales of production.

The ability to meet the demands for larger and larger scales of production was made possible by the creation of the modern corporation – a fictitious person that existed in the eyes of the law that allowed the legal entity: to enter into contracts; assume full responsibility for all

losses as well as profits; to sue and be sued; and to limit the liability of those who bought shares in the corporation. The improved way to organize facilitated the growth and spread of capitalism.<sup>144</sup> The first spurt in the growth of capitalism under the corporation as a legal entity gave rise to recognized business giants like Andrew Carnegie, John D. Rockefeller, Cornelius Vanderbilt, Jay Cook, James J. Hill, George M. Pullman, Andrew Mellon, H. S. Firestone, Henry Ford, and many, many more. And the consolidations of businesses become their tactic for faster growth.

Many states tried to regulate business trusts and corporations in their many forms but “when the Supreme court ruled that corporations, as ‘persons,’ could not be deprived of property without ‘due process of law,’ state regulation became almost totally useless” in trying to reign in the grabbing corporations.<sup>145</sup> “Congress alone can deal with the trusts [corporations], and if we are unwilling to or unable, there will soon be a trust for every production and a master to fix the price for every necessity of life,” said Senator Sherman in 1880.<sup>146</sup> The Sherman Antitrust Act of 1890 was soon passed. Its intent was to stop the monopolistic growth that was occurring so broadly. But consolidations/mergers continued – 377 estimated 1890-1904; 1,200 in 1929; 125 in 1949; and 500 in the middle fifties – even though there were many trusts broken up into smaller economic units by the courts.<sup>147</sup>

But the era of the business giants gave way to the emergence of the professional managers. This in turn brought about the separation of the control of the corporation from its owners and saw it transferred into the hands of the professional managers. This created power with a greatly reduced sense of accountability. Corporate activities become more and more submerged under the covering of the legal umbrella of the legal nonexistent person – the corporation.<sup>148</sup>

## **CAPITALISM IN THE TWENTIETH CENTURY**

Capitalism was directly impacted in the 20th century by two factors that occurred independently but quickly became deeply intertwined – changes in taxation and war. The underpinnings of the so-

cial structure within which capitalism functions were subjected to two forces that brought about a slow transformation in the world/life-view of the population during the 20th century – a sharp rise in the acceptance of the New E/R/E Values, and the redefining of freedom. These four forces together will and are having a significant impact on the long-term future of capitalism, the topic of the concluding segment of this treatise.

#### FEDERAL TAXATION

The Federal Government had not possessed the legal authority to levy general taxes upon the population, either upon individuals or businesses, until the Sixteenth Amendment to the Constitution of the United States was ratified in February of 1913. The amendment reads:

*The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration.*<sup>149</sup>

This amendment to the Constitution vastly expanded the economic power of the Federal Government over the lives of its individual citizens and their economic enterprises. This opened the door for the exploration of ways to redistribute the wealth of those who created it. A new chapter of citizen/government relations was opened. Those who were not engaged in the creation of wealth were now allowed into the discussions about how wealth ought to be used through the ballot box by way of those who represented them in Congress. Those with little or no wealth were granted a voice in how those who created wealth should distribute their wealth.

#### WARS OF THE 20TH CENTURY

The 20th century was filled with wars in which the United States became involved, and these were all very costly – WW I, WW II, Korean War, Vietnam War, and the Cold War. Policy decisions were made to fund these actions through a combination of taxation and borrowing – Federal debt. With this began the redistribution of wealth for purposes defined by those who governed, and paid for by those who created wealth – entrepre-

neurs, partnerships, and corporations.

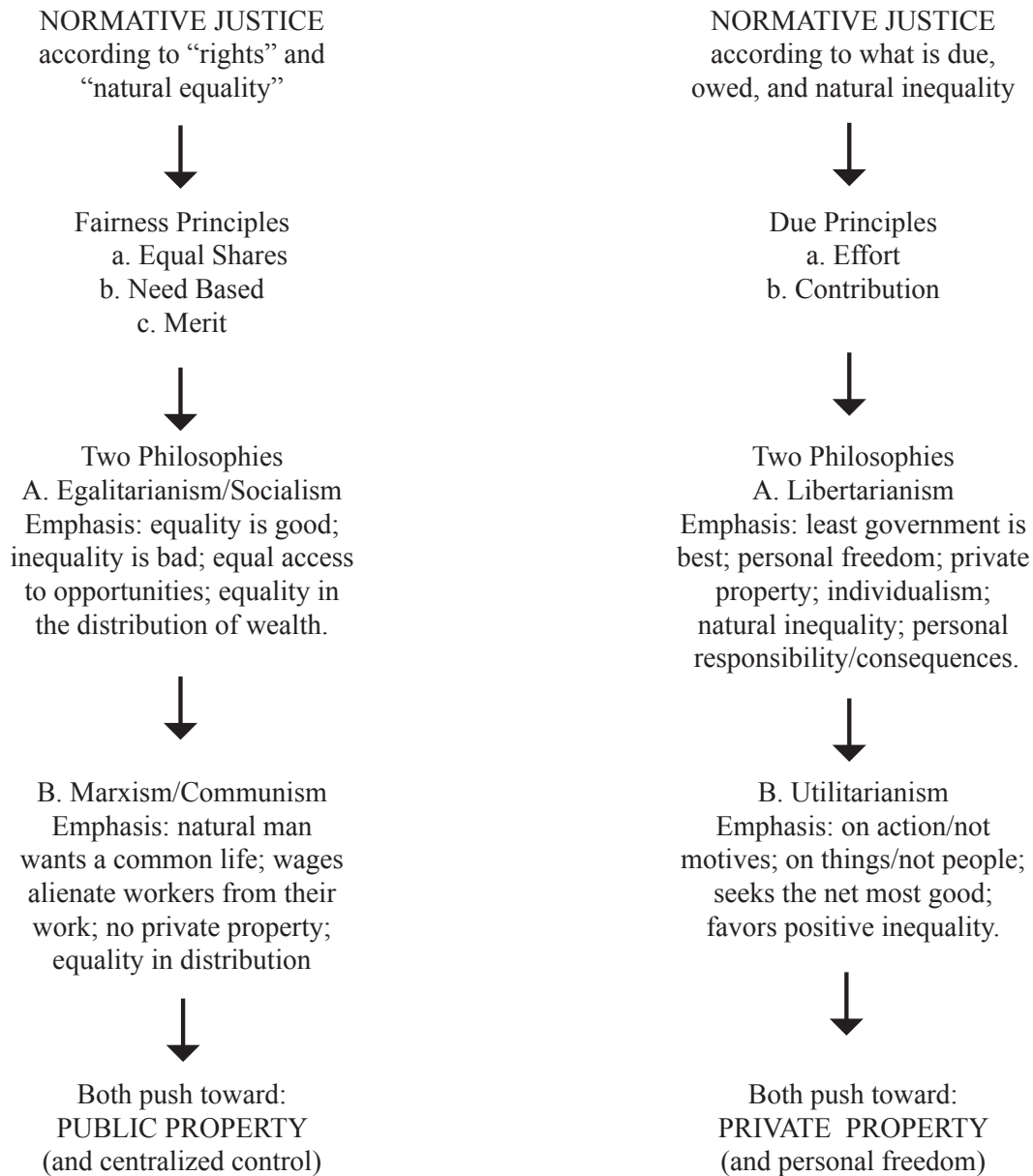
*When nations go to war, governments are given the authority to do things they are forbidden from undertaking in peacetime and often allowed to expand their powers in those realms where they already exercise considerable authority. This can include acquiring powers that diminish the protections afforded by private property and the rule of law, permit the raising of taxes to exorbitant levels, and redirect commercial society's creative energies into areas of a decidedly non-commercial character. Perhaps the greatest long-term problem that war creates for commercial societies is that the state is often reluctant to relinquish its newly acquired powers, thereby reducing the sphere of freedom that underpins commercial society and allows it to flourish.*<sup>150</sup>

#### ACCELERATED RISE OF THE NEW E/R/E VALUES

Michel Novak, in his highly regarded book, *The Spirit of Democratic Capitalism*, referred to earlier in this treatise as a definition of capitalism was being developed, discussed many significant things but two of them warrant commenting on briefly here. First, Novak has done a marvelous job of providing an historic overview of the achievements of democratic capitalism from its early years on up through the first two-thirds of the 20th century. And second, he outlined wonderfully what he called, “Socialism as High-mindedness.” Whenever intellectuals begin to blur the lines between equity and equality, their highmindedness begins to forget the values that were outlined in the Old R/R Values in Diagram 1 – work, savings, sacrifice, equality/inequality, wealth accumulation, etc. Instead they begin to champion more and more the values outlined in Diagram 1 as the New Empiricist/Rationalist/Existentialist Values (New E/R/E Values) – rights, protection, equality, wealth redistribution, etc.

With the ever growing transition taking place from the “Old R/R Values” to the “New E/R/E Values” it was inevitable that the whole question

**DIAGRAM 2**  
**DISTRIBUTIVE JUSTICE**



of how wealth should be distributed would soon come to the forefront. With the rise in capitalism and the accumulation of wealth in the hands of those advancing the economics of capitalism, and not labor, intellectuals, religious leaders, and artisans, the distribution discussions became centered around issues associated with the redistribution of wealth. The debate has taken place primarily on two fronts:

- 1) the academic and intellectual front; and
- 2) in the political arena. The academic debate is perhaps best portrayed by the just distribution of wealth material outlined below in Diagram 2.<sup>152</sup>

Distributive justice is embroiled in the search for a just system of wealth distribution. But on what basis is a society to determine what is just? Is equality under the law and in the political sphere, and inequality in the economic sphere a just means of distributing wealth as John Locke, Friedrich Hayek, Milton Friedman, and Michael Novak define what is just? Or is the view of John Rawls (1921-2002), and those who agreed with him, who extend equality into the realm of economics, as well as the social and political realms, the correct view? The equality in economics perspective is outlined on the left-hand side of Diagram 2 below and those immersed in the E/R/E values tend to follow this view. And those who subscribe to the R/R values generally identify with the natural inequality perspective as it is outlined on the right-hand side of the Diagram 2.

*Culturally there are two theories of normative justice offered as solutions to the [dilemma raised above]. They are: (1) normative justice requires that distribution be made according to peoples 'rights' and 'natural equality' – this is called the 'fairness' principle; and (2) normative justice requires that distribution be made according to what people are 'due' or 'owed' which is determined by their 'natural inequality' – referred to as the 'due' principle.<sup>154</sup>*

The debate regarding what constitutes nor-

mative justice has and is going on in the United States in many direct and indirect ways. The tension between the two views of what is normative is very evident in the “public square” at this the beginning of the 21st century. We will briefly describe the two views and then move on to how the outcome of the debate will determine the outcome of capitalism in the US.

The normative principle<sup>155</sup> that is adhered to and argued by the Fairness Principles proponents (in the left-hand column) – a title they apply to their philosophy; not a term accepted as reflective of what is good by their opponents – rests on a singular belief in and emphasis on human equality that should, in their judgment, be recognized and practiced with respect to social, political, and economic rights and privileges. This philosophy is called egalitarianism. The logic proposed concludes that everybody has a right to an equal share of the economic wealth and that it should be allocated according to either people's needs or in equal shares. Socialists accomplish this through a democratic process – the majority of the people vote to institute a socialist government. Totalitarian regimes typically achieve this end through some form of revolution or military coup. But either way, the productive capital that is employed in the economic process of creating and distributing scarce resources becomes public property – in theory, owned by all. The “Communist Manifesto,” in fact called for the abolition of all private property and abolished all rights of inheritance.<sup>156</sup>

Certain aspects of egalitarianism are absolutely compatible with the values of those embedded in the “Due Principles” philosophy shown on the right-hand side of Diagram 2. For example, both philosophies would desire “equal access to opportunities” but would differ about who should garner the fruit from the opportunity. The “Due Principle” philosophy would not want “artificial barriers” barring anyone from seeking opportunities but neither would they want everyone being allowed to practice medicine, for example, without some meaningful standards being put in place that prevented some people from entering the profession. So an equal access opportunity does not automatically equate to an equal right to practice.<sup>157</sup>



The normative principle that is subscribed to by those who are in the Due Principles camp rests upon the premise that human inequality is as much an aspect of God's creation as is His establishment of human equality. The issue is one of correctly discerning the right place or role of discernable inequality in the life experiences of those who live in a larger community than that of the family. The fall of humanity has certainly complicated the unraveling of the just handling of discernable inequalities. But the evidence is scattered throughout recorded history of the failures of those who have attempted to overlook or overcome the mixture of human depravity and human inequality when constructing and implementing an economic system that would serve the larger community.<sup>158</sup>

Those who subscribe to the Due Principles believe that principles of equality should govern the legal, political, and social environments but not the realm of economics and commerce. There inequality should be allowed to take its natural course. Those who put out the most effort, make the greatest contribution, or merit recognition for their superior performance are due the rewards that are accorded their superior inequality. The libertarians and utilitarians both subscribe to this general philosophy. The libertarians though are strong proponents of *laissez faire*: the less government, the better. Personal freedom is their hallmark. The utilitarians, on the other hand, are the proponents of input/ output analysis and cost/benefit analysis that gives rise to the highly efficient and profitable aspects under-girding the free market capitalistic system. The utilitarians moved away from discourses on morals to that of utility – they emphasized action taken, not motives; and specific things (materials, dollars, labor units, etc.), not people. And they emphasized the net most good (economic, material good), and not a moral good.<sup>159</sup>

Utilitarianism was the prevailing governor of the dominant normative ethical doctrine applied to commerce in the industrial west in the 19th century.

*Under this philosophy, actions are accepted as the correct ones when they provide the 'most net good' when compared with other alternatives. Here*

*the reality that a 'good' may produce some consequential harm is admitted (accepted), but so long as the 'good' results outweigh the negative ones, the act is accepted as good. When two or more actions could produce a 'net good' (the good outweighs the bad) then the one creating the 'most net good' is deemed to be the best. The fact that some may be injured while others are helped is accepted as part of the reality. Many have liked this philosophy because they viewed it as logical (to the quantitative, scientific mind), socially beneficial to the majority, 'natural' in its character, and neutral in matters of distributive justice. But in fact it is only silent and not neutral in matters of distributive justice. It is natural but not neutral. Those with positive inequalities have a natural advantage over those with negative inequalities. Implicitly, utilitarianism favors inequality over equality.<sup>160</sup>*

This author has a personal memory of the Ford Motor Company's public defense of its utilitarian based decision to not redesign and reposition the gas tank in the Ford Pinto. This decision was defended in open court even in the face of ample evidence that rear-end collisions had resulted in numerous tank explosions that had injured many, and occasionally killed those involved. Ford's defense was based completely on the utility – cost benefit analysis – of keeping everything like it had been originally designed. Ford lost the case; many in the public were horrified by what they perceived to be the callous nature of Ford's defense; and utilitarianism as a defense against personal harm and injury promptly died, never to be argued again in the public domain.

And at the root of these divergent views regarding equality and inequality is an irreconcilable difference in peoples' understanding of what constitutes human nature and how it is to be best governed in the broader community. The Old R/R Values, that gravitate to the Due Principles, were grounded in the presupposition that humanity had fallen and was permeated with a sin nature where the default system is set on me. The New E/R/E/ Values, that tend to subscribe to the Fairness Prin-

ciples and that began emerging in the intellectual circles in the 19th century, were grounded on the belief that human nature was conditioned, adjustable, or rectifiable. The human's constitution was newly interpreted as being malleable and changeable. Those who want to give the poorly conditioned, disadvantaged souls an equal footing with those who actually generate wealth, when determining the distribution of wealth, often view themselves as being more righteous and more just than those who hold to the old equality/inequality model where a greater proportion of the wealth goes to those who enjoy positive inequality.

### THE REDEFINING OF FREEDOM

The other conundrum faced in any social arrangement – family, local community or nationally – is, how is freedom to be regulated? Freedom is a critical component of this treatise. Freedom is undeniably of great importance to our Creator God. Our first parents were given absolute freedom. But freedom does not exist without accompanying consequences. And freedom is an essential component under-girding free-market economics that is a defining feature of capitalism. But as misappropriated freedom led to the fall of our first parents, unbridled freedom in any environment is contrary to God's revealed will. God sent the prophet Amos, for example, to call the wealthy Israelites to repent over the extremes they had allowed to rise up between those who lived in comfortable prosperity and those who lived in abject poverty. Amos' message was against the rich, if you will. The merchants in Israel in 750 BC were dishonest and greedy.<sup>161</sup> What God wanted was for "justice [to] roll down like waters and righteousness like an ever-flowing stream."<sup>162</sup> God never called for equality but He has always let it be known that He desires equity – a concern "for the dumb, for the rights [lawsuits, judgments, quarrels, causes<sup>163</sup>] of all the unfortunate...and defend the rights of the afflicted and needy."<sup>164</sup>

Godly self-control (a fruit of the Spirit)<sup>165</sup> is the fountain and environment within which godly freedom – freedom from unrighteousness – flourishes. Freedom in the context of ungodliness is equivalent to licentiousness. Even though Friedrich von Hayek was an agnostic he recognized that "...a prosperous economy required a sound

moral order" and that much of what we enjoy in our prosperous capitalistic society comes from "conforming to certain traditional and largely moral practices, many of which men tend to dislike, [and] whose significance they usually fail to understand..."<sup>166</sup>

In February-March, 2006 this author was serving as a Scholar in Residence at Union University in Jackson, TN delivering a series of lectures and working with six undergraduate honors students in the development of their honors theses. One of the students was working on a thesis entitled, "A Study of the Ability of the Courts to Implement and Maintain Social Policy Using as a Case Study the Continuation of Racial Desegregation of the Jackson-Madison County School System."<sup>167</sup> His work led us into an in-depth discussion of the Warren Supreme Court of the 1960's and its judicial activism revealed in its "policy formulations" regarding abortion, pornography, public profanity, perverted sexual behavior, prayer in schools and other rulings that accompanied the Warren Court's desegregation ruling that the student had selected as a positive example of the work of the Warren court. All of the literature the student was studying<sup>168</sup> referred to the Court's decisions as judicial realism. The student was unaware, until I drew it to his attention, that there was a large body of other literature that countered the arguments of the judicial activists with arguments that supported a philosophy of judicial constraint. Those who invited me to Union had asked me to: a) stimulate the students with questions; and b) introduce the students to positions they had not considered up to that point in time. This process led me to ask the student, "Do you think the Warren Court opened the door for our society to pass from the field of freedom<sup>169</sup> into the quagmire of licentiousness? The student concluded, after several days of reflection, that in light of his Biblically grounded world/ life-view the Court had, in his opinion, opened a door that permitted licentious conduct to enter the public arena. I agreed. A new definition of freedom had been released into the mainstream of public life by the Warren Court.

These four forces – taxation, wars, accelerated rise in the acceptance of the New E/R/E Values, and an expanded concept of freedom –

together ushered a substantially amended society/culture into the 21st century.

Having offered a highly selected sample<sup>170</sup> of historic information to help establish both a definition and understanding of the basic and essential components of capitalism; its Biblical antecedents; its forming values; the values that are now competing to alter and perhaps even overthrow it; the historic crucible of forces that have shaped it and delivered it to us at this time in history; let us now contemplate the eschatology of capitalism.

The great enemies of capitalism are: a) the ubiquitous nature of sin; b) the human's alienation from God and refusal to seek reconciliation with Him; and c) the human's general refusal to love his neighbor as himself. These three enemies pervert all economic systems, and meaningful freedom cannot exist indefinitely with them when they overwhelmingly dominate and shape the public discourse.

Those who believe that God is sovereign over all matters; that He has decreed all that comes to pass; and that He actively promotes His will through both special grace<sup>171</sup> and common grace,<sup>172</sup> are prone to perceive of capitalism as a

## When does capitalism cease to be capitalism?

### THE ESCHATOLOGY OF CAPITALISM

When does capitalism cease to be capitalism? There is a kind of continuum of capitalism – free capitalism (idealistic); democratic capitalism; socialistic capitalism; and degrees of totalitarian capitalism – China being a contemporary illustration of this latter type. As stated earlier in the essay, Michael Novak refers to the latter two of these types as bastard forms of capitalism. This author, agreeing with Novak, will ignore the latter two forms of capitalism in these concluding observations and comments.

It is this author's contention that capitalism finds its strength and resilience in the union and appropriation of three God-preferred particularities:

- a) freedom from ungodly external restraints;
- b) the general practice of self-control throughout a particular society; and
- c) the embodiment of a set of God honoring values that reflect and promote His pre/post-fall creation mandate regarding work – the R/R values substantially meet and fulfill this particularity.

God favored economic system<sup>173</sup> because it has done more to promote the economic/material/physical wellbeing of those living within its sphere of influence than any other economic system that has heretofore existed, notwithstanding its many failures, deprivations, and injustices. Even if this perception were broadly accepted, does this mean that God would somehow preserve capitalism in its free or democratic forms and prevent it from disappearing from the face of the earth? No!

Indeed, it is this author's belief that capitalism as it has been historically manifested, first in England and Europe and then the United States, will cease to exist within the next 100 years. This is not a prophecy; it is an extrapolation. It is a conclusion – a belief – arising out of three-quarters of a century of personal observations of the many transforming cultural shifts that have and are occurring in the United States.

Western Europe (including England) and the United States have continued to separate themselves from the historic orthodox Christian propositions that are rooted in Scripture. Those who historically considered themselves to be of the Calvinistic arm of the Reformation tended to emphasize the propositional truth of Scripture. Those of the Armenian/Wesleyan/Holiness arm of the reformation tended to emphasize the expe-

riential/existential aspects of the Christian faith. But both groups have historically held to the belief that Scripture is to be the governing truth, not one's personal experience.

Francis A. Schaeffer (1912-1984), a reformed theologian and popular surveyor of western culture, talked much about the decline in true spirituality in the lives of Christians in the 19th and 20th centuries in a number of his books – *Escape from Reason*; *The God Who is There*; *Death in the City*; *The Church at the End of the 20th Century*; etc. He perceived that Christians were losing their true spirituality (the title of another one of his books) and were more focused on what God was doing for them than they were on what God had called them to do for their neighbors. They were in his judgment becoming more and more concerned with their personal peace and prosperity and were ignoring more and more the uncomfortable challenges the world was putting before them. By withdrawing from the world's disturbing challenges the Christian community was hiding its light and losing the savor of the salt.<sup>174</sup>

This in-turning has proven to be a form of spiritual cancer eating away at the heart of true spirituality – loving the Triune God to the degree that all of life is offered up to Him in dedicated service as a spiritual sacrifice. The Apostle Paul put the issue this way:

*I urge you therefore, brethren, by the mercies of God, to present your bodies a living and holy sacrifice, acceptable to God, which is your spiritual service of worship.*<sup>175</sup>

This statement follows immediately after Paul had presented eleven chapters of doctrinal teaching regarding the state of humanity before God and what God had done to rescue His image bearers from eternal death. Eternal gratitude should bring about the presentation of one's body to God as a living and holy sacrifice. This was to be one's reasonable and rational response to God's manifold grace and mercy described in the eleven preceding chapters. The Old R/R Values (Diagram 1), however, were very much in decline by the second half of the 20th century.

If what has just been stated is true then it

is reasonable to posit that a number of things, individually and collectively, could collapse capitalism. And the demise of capitalism will come when the political forces bring a majority of the populace under the banner of either socialism or some form of totalitarianism. Socialism, given our nations history, will in all likelihood precede any totalitarian revolution. This author perceives seven plausible scenarios<sup>176</sup> that either individually or in some combination could bring about the putting aside of capitalism in favor of one of the other alternatives.

### 1) A Great Economic Collapse

A great economic collapse could trigger a shift from capitalism to socialism. Life wrenching depressions did in fact occur between the middle of the 19th century and the end of the first four decades of the 20th century. The Great Depression (1929-1939) did put enormous pressure on the system of capitalism that was in place at that time. New programs were tried; new laws were put in place that provided new protections and helps for the populace: programs like Social Security; the establishment of the Civilian Conservation Corps; federal funding of the Rural Electrification and the Tennessee Valley Authority; etc. They were all begun to see if the government could assist in jump starting the economy. The system had stumbled badly; it did come close to collapsing; but capitalism survived because, in this author's judgment, *individual freedom* was still deeply valued, Christian values were still influential, and the Old R/R/ Values were still strong enough to withstand the economic shockwaves.

### 2) A Catastrophic Destruction of One or More Great Urban Centers

War is always a time to put the interests of the community before the interest of individuals. All historians seem to agree on this, and after the Civil War (1861-1865) no war has touched the United States' mainland. Thus WW I, WW II, Korean, Vietnam, and Cold War presented no such challenges such as the destruction of our major urban areas and the accompanying destruction of major economic components of the overall production/



distribution system. It is generally believed, however, that those who attacked the United States on September 11, 2001 had in mind creating both a great fear and the disruption of our economic system, but their destructive force was not sufficient at that point in time to collapse either the psychological mind-set of the populace or the larger economic apparatus. In God's providence though such a horrific event as the destruction of a number of our major urban centers could occur, but this is not the basis for the author's belief that capitalism will disappear in North America within the next hundred years.

### 3) Extremely Rapid Advances in Innovative Technology

The metamorphose of the capitalistic system into a socialistic system could be brought about by an explosive revolution in innovative technology if the rate and magnitude of the transformation were so overwhelming as to leave the majority of the populace in a place where they lost hope of ever being able to obtain skills that would allow them to participate in and enjoy the material benefits that would then be perceived as only being available to a small and exclusive minority. If only a shrinking minority had the capacity to engage in the processes of creating wealth and enjoying its fruit the majority would, in my opinion, seek alternative ways of participation through a system of wealth redistribution. This from the author's perspective is not a plausible probability, however. Changes over the centuries have not been able to upset the existing thirst for freedom or undermine the movement toward capitalism or its uninterrupted continuation. Why? There is simply not that big a gap in the intellectual capacities of those who make up the general population and those who are succeeding. Free market capitalism has moved from merchant capitalism to entrepreneurial capitalism to industrial capitalism to its broader and more inclusive democratic capitalism of today. This author sees little that would cause him to lose confidence in the intellectual capacity of the majority to keep pace with future transformations.

### 4) Urbanization

*U.S.A. Today* (a nationally distributed newspaper) published a map of the country showing the states in a red and blue format following the 2000 presidential election. Blue states had voted for Al Gore and red states had voted for George Bush. Subsequently the paper published a map showing a county by county, state by state red and blue depiction of the voting pattern following the 2004 national election between John Kerry and George Bush. What was striking in this refined depiction of the nation-wide vote was the number of blue counties that appeared in major metropolitan areas in red states. (This same pattern was also present 100% of the time in the blue states but not one blue state had a red metropolitan area within its boundaries.)

This is significant if one perceives, broadly speaking, that: 1) the Democratic Party adheres a bit more closely to the secular humanistic values shown in Diagram 1 as the New E/R/E Values and that the Republican Party subscribes more closely to the Old R/R Values; and 2) the Democratic Party subscribes a bit more to the normative justice: according to rights and natural equality position shown in Diagram 2 while the Republican Party clings more closely to the normative justice: according to what is due, owed, and natural inequality philosophy. And why is this significant?

It was pointed out earlier that those who gather together and live in urban centers are more dependent upon those who govern them to provide for safe water, sewage disposal, trash removal, police protection, fire protection, and a host of expensive types of infrastructure. These needs are met through taxation and public expenditures. Urban people look to those who govern them to provide services that those in rural settings provide for themselves.

The implications are clear. Unless there is a religious and educational base that retains the receptive ear of the public, that continually reinforces the values that are necessary to retain individual freedom, and demands that a restricted government be kept in place that supports a free-market capitalistic economic system, the economic system will drift toward an alternative



means of sharing the wealth.

The disadvantaged in our population have been gravitating toward the urban centers for many decades now looking for the benefits that urban centers offer – subsidized public transportation; emergency room health care, security, anonymity, job opportunities, and a host of public services. Help and welfare are believed to be in the cities.

This author believes that urbanization is a real force nudging our country toward socialism and away from capitalism. This and the next three contributors will continue to account for the majority of the pressure in our society to abandon capitalism. They will be, in my opinion, the ultimate under-miners of capitalism.

and dogma. He had absolutely no confidence in any type of law – natural, physical, or theological. Truth was to be discovered by each individual through his or her personal experience. He especially opposed moral dogmatics. He believed that values should not be a guide to actions but should come from actions correctly taken – values are a by-product. In this way every generation can discover those values that might best serve their needs.<sup>179</sup>

Dewey's philosophy had a profound impact on many hundreds of public school teachers, future principals and school superintendents who went to graduate school at Columbia, and who subsequently influenced others.

Most of modern education's values can be

## Personal existential feelings have become more important than the propositional statements found in Scripture.

### 5) Public Education

William H. McGuffey (1800-1873) was teaching at Miami University in Oxford, Ohio when he first published a series of readers in 1836 for youth that emphasized religious and moral teachings on a variety of matters that included lying, stealing, saving, work, thrift, respect for one's elders, being responsible, etc. It is estimated that 120 million copies of his books were sold with the majority of them probably being read by a multiple readership.<sup>178</sup> This author began his schooling in Virginia in the 1930's and was personally introduced to the McGuffey Readers.

John Dewey (1859-1952) represents the absolute moral antithesis to William McGuffey. Dewey spent his adult years as an academic philosopher at Columbia University in New York and was a leader in what is referred to as pragmatism – if something works for you, it is good. He believed that no one should be encumbered by the constraints of natural law, past precedents,

traced to Dewey's work. And many of his followers became revisionists. For example, history books are frequently being rewritten to include lesser recognized contributors to the development of the West, the U.S., and its foundational institutions.<sup>180</sup> And the individual's self image"became an important thing to consider – do not hold an individual back from being academically promoted lest he or she be hurt psychologically. The public educational system subsequently began experiencing more drop-outs; more students who could only read and write poorly were graduated; and classes were taught morals through a process that was called values clarification – student were asked questions about moral situations and then asked to decide what was right or wrong in their opinion. The teaching of Christian values and the Old R/R Values virtually vanished in urban schools. The values that were taught were to be your values and these soon coincided closely with the New E/R/E Values.

Those who are poorly educated and who have little or no moral training regarding the

basic precepts of the Christian faith or the “Old R/R Values” are almost certain to take sides with a protecting, self-serving, rewarding-me political philosophy. And such a world/life-view is certainly not compatible with capitalism.

#### 6) The Repudiation of Historic, Orthodox Christian Beliefs and Values

The Christian voice has been publicly ridiculed and derided for the past six decades. It has been largely and effectively driven underground by the rise of the intellectual secular humanists in the second half of the 20th century. Faith and reason had been torn apart beginning with the work of Immanuel Kant (1724-1804) when he said, “I have therefore found it necessary to deny knowledge...in order to make room for faith.”<sup>181</sup> The ideas regarding how one goes about proving what is virtuous, moral, ethical, or right or wrong were suddenly swept away from knowable reality into the abyss of personal opinion without any presumed certainty. This opened the door for Soren Kierkegaard’s (1813-1855) ideas regarding existential knowledge (truth) to become the new fashion. He is the father of both philosophical and theological existentialism. It was Kierkegaard who gave birth to the notion of a leap of faith as the means of knowing God.<sup>182</sup> Truth however was soon limited to one’s opinion. Truth in the minds of the general public – which includes perhaps even a majority of those who profess faith in Christ – reverted to a “you can’t really know truth” status; you can only have a personal opinion regarding truth. This is an ancient presupposition of “thinking men” – truth is not really knowable – that has afflicted the mind of those alienated from God since the fall. “What is truth?” was the disingenuous question put to Christ by Pontius Pilate.<sup>183</sup>

Christianity began to be marginalized in academia in the late 19th century and this process has only accelerated since. This began to take its toll in the seminaries. And the neo-orthodox thinking that emerged amongst the German theologians in the late 19th and early 20th century soon came ashore in the U.S. and had a great influence in American theological circles. Biblical propositional truth was brought under attack,

and the consequences leaked out into the congregations of those who sat at the feet of the new thinkers. This all had a profound influence on the broader community. Those who retained their commitment to Biblical propositional truth were soon outnumbered even by those who professed allegiance to Christ but who wondered if what was recorded of His teaching was objective and really reliable. Personal existential feelings have become more important than the propositional statements found in Scripture.

But even the children of those who remained orthodox in their commitment to the full authority of scripture have been and are being immersed in the values being espoused by those teaching the values and precepts of modernity. And modernity has slowly transitioned into the realms of post-modernity where the human is further encapsulated in self. We are being overrun by the New E/R/E Values.

Finally, are the words quoted earlier from the pen of John Wesley not being manifested in Christian circles today?

*I fear, wherever riches have increased, the essence of religion has decreased in the same proportion...So, although the form of religion remains, the spirit is swiftly vanishing... ”<sup>184</sup>*

Again though, this is nothing new in human experience. The Apostle Paul must have had something of this in mind when he referred to people “holding to a form of godliness [religion] although they have denied its power.”<sup>185</sup>

When all of this is coupled with the judicial rulings of the Warren Court in the 1960’s allowing abortion, pornography, public profanity, restricting public prayer, etc.,<sup>186</sup> the influence of Christians has been greatly reduced and Christians find themselves left with few alternatives other than that of groaning. Groaning is, however, acceptable to God.<sup>187</sup> But let the Church not forget: God’s judgment begins with the Church.<sup>188</sup>

#### 7) The Acceptance of the New E/R/E Values

The 14 values outlined on the right-hand side of Diagram 1– the New R/E/R values – have clearly supplanted the Old R/R Values listed on

the opposite side. In spite of the workaholics that are among us, the culture today values leisure above work. And today the purpose of work is not often thought of as being done to “glorify God” or to respond to His “calling” but is more likely to be interpreted as a means of obtaining the quality of life that one has a right to expect.

And who are we to think that one person’s sexual preference is better than someone else’s. To express an opinion is to be thought of as being politically incorrect. Who are we to judge another person’s sexual conduct? One practice is as good as another in post-modernity. Self-determined moral conduct is now considered an essential freedom. It is politically incorrect and perverted thinking to conceive of calling something licentiousness in today’s society. Behavior that was off limits, under the table, or in the closet only 60 years ago is now a matter of personal preference. Morality is a concept whose day has past.<sup>189</sup> Those who differ with such assessments are all too often silent in the face of such declarations. The righteous have been numbed. But silence is not golden as the old saying goes for the Word of God tells us: “Like a trampled spring and a polluted well is a righteous man who gives way before the wicked.”<sup>190</sup>

## IN CONCLUSION

It is this author’s belief that it will be a combination of the last four of the seven possibilities just discussed that will bring about the demise of free/democratic capitalism in America within the next 100 years –the continuing rise of urbanization; the changes in the teaching of morals and values that has and is taking place in the whole area of public education –at the elementary, secondary, and college/university levels; the repudiation of historic, orthodox Christian beliefs and values; and the broad acceptance throughout the culture of the New R/E/R Values. This is what I believe. But there is a true prophesy regarding the absolute end of all forms of capitalism, world-wide:

*The final anti-Christ will require “all, the small and the great, the rich and the poor, and the free men and the slaves, to*

*be given a mark on their right hand, or on their forehead, and he provides that no one should be able to buy or sell, except the one who has the mark, either the name of the beast or the number of his name.”<sup>191</sup>*

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## ENDNOTES

<sup>1</sup>Genesis 1:26-30; 9:2, 3, 9-11; Psalm 8:6-8; see also Gordon H. Clark, *The Biblical Doctrine of Man* (Jefferson, Maryland: The Trinity Foundation, 1984) Ch.9, "Adam and the Fall: The Covenant of Works," p. 53-62. All Biblical references and quotes are from the New American Standard Bible (NASB).

<sup>2</sup>E. A. J. Johnson and Herman E. Krooss, *The American Economy: Its Origins, Development, and Transformation* (New Jersey: Prentice Hall, Inc.) 1960, page 100.

<sup>3</sup>Jonathan Edwards, *The Works of Jonathan Edwards: Volume One* (Carlisle, Pennsylvania: The Banner of Truth Trust, 1992) Section VII, "The Great Christian Doctrine of Original Sin Defended," p. 145-233.

<sup>4</sup>Genesis 1:26-27; 5:1. And "...in His own image..." means: before the "fall" and after "spiritual regeneration" the human can "truly know" [Greek Lexical # 1922: epignosis] their Creator (Colossians 3:10); be "righteous" (Ephesians 4:24); and be "holy." (Ephesians 4:24) Also see John Laidlaw, *The Biblical Doctrine of Man* (Original Publication: Edinburgh, Scotland, 1894, reprinted: USA, Klock & Klock, 1983) Di-vision III, "The Divine Image and Man's Primitive State," Chapter VII, p. 141-159.

<sup>5</sup>Genesis 2:15

<sup>6</sup>Genesis 2:17

<sup>7</sup>Genesis 2:21-22

<sup>8</sup>Genesis 3:1-5, 13; 2 Corinthians 11:3; 1 Timothy 2:14

<sup>9</sup>Genesis 3:6, 17

<sup>10</sup>Genesis 2:25; 3:7-10

<sup>11</sup>The note on "Sin" by Carl G. Kromminga in Baker's Dictionary of Theology, (Grand Rapids, Michigan: Baker Book House; Everett F. Harrison, Editor-in-Chief; Geoffrey W. Bromiley, Associate Editor; and Carl F. H. Henry, Consulting Editor, 1960), pages 486-489, is an excellent, orthodox exposition on the Biblical concept of sin. Also see John Laidlaw, (Cited in Note 3) Division IV, "Man Fallen – His Nature Under Sin and Death," Chapters X., XI., & XII., p. 197-246

<sup>12</sup>Psalms 51:5; 58:3; Job 15:14; Ephesians 2:3

<sup>13</sup>Romans 6:1-8:1

<sup>14</sup>Ezekiel 28:12-19; Isaiah 14:12-17; John 8:44; 1 John 3:8. There are theologians who limit the interpretations of the Ezekiel and Isaiah passages just noted to prophesy regarding the King of Tyre (Ezekiel) and the King of Babylon (Isaiah) but other scholars interpret the passages as related to the emergence of sin through a created, high angelic creature (Satan) who rebelled against God – the interpretation employed here.

<sup>15</sup>Romans 8:18-22

<sup>16</sup>Webster's Ninth New Collegiate Dictionary, (Springfield, Massachusetts: Merriam-Webster Inc., Publishers, 1990). It was noted that the word "capitalism" was of British origin and was first

recognized in a dictionary in 1854.

<sup>17</sup>Ibid, p. 4.

<sup>18</sup>Ibid, p. 5. (Emphasis added.)

<sup>19</sup>Ibid, p. 8

<sup>20</sup>Ibid, p. 9.

<sup>21</sup>Ibid, p. 14. (Emphasis added.)

<sup>22</sup>Ibid, p. 15

<sup>23</sup>Michael Novak, *The Spirit of Democratic Capitalism* (New York: An American Enterprise Institute / Simon & Schuster Publication, 1982), p. 13.

<sup>24</sup>"Michael Novak was educated at Holy Cross Seminary, Stonehill College and Gregorian University in Rome. He did his graduate studies in history and philosophy of religion at Harvard University. He has taught at Union Theological Seminary, Stanford University, the State University of New York, Syracuse University and the University of California at Santa Barbara." This was taken from the cover jacket of his book, *The Spirit of Democratic Capitalism*.

<sup>25</sup>Karl Marx and Frederick Engels, *The Communist Manifesto* (New York: International Publishers, 1948), p. 13-14.

<sup>26</sup>Michael Novak, *The Spirit of Democratic Capitalism*, p. 15.

<sup>27</sup>Acton Institute, "Religion & Liberty" (May and June 1992; Volume 2, Number 3) in a piece entitled, Friedrich August von Hayek (1899-1992): "Our moral traditions developed concurrently with our reason, not as its product." p. 1-2.

<sup>28</sup>*The Spirit of Democratic Capitalism*, p. 31.

<sup>29</sup>Ibid, p. 32-34.

<sup>30</sup>Friedrich A. Hayek, *The Road to Serfdom* (Chicago: The University of Chicago Press, 1944)

<sup>31</sup>Ibid, p. vii.

<sup>32</sup>Ibid, p. iv.

<sup>33</sup>Robert Heilbroner and Friedrich Hayek both make this point in their writings but it will be developed further in subsequent sections of this treatise.

<sup>34</sup>Michael Novak makes this observation throughout his book *The Spirit of Democratic Capitalism*.

<sup>35</sup>Genesis 2:15-17; 3:1-13.

<sup>36</sup>Genesis 2:17; 3:19; Romans 5:12

<sup>37</sup>John 1:1, 14, 29; 6:51; 8:58; 10:36; 20:30-31.

<sup>38</sup>1 Corinthians 15:3-4; 1 Peter 2:24; Acts 2:24;

Matthew 28:5-6.

<sup>39</sup>The original “free will” died with our first parents’ fall. The human will thereafter could only be exercised within the constraints of one’s nature: fallen/alienated from God nature; fallen/restored to God nature for the subsequent realignment of the perverted will to one that is God centered – a degree by degree realignment.

<sup>40</sup>Joshua 24:15

<sup>41</sup>John 8:31-36, 39-47.

<sup>42</sup>Galatians 5:23; Milton Friedman, *Capitalism and Freedom*: “The existence of a free market does not of course eliminate the need for government. On the contrary, government is essential both as a forum for determining the ‘rules of the game’ and as an umpire to interpret and enforce the rules decided on. What the market does is to reduce greatly the range of issues that must be decided through political means, and thereby to minimize the extent to which government need participate directly in the game.” (Page 15)

<sup>43</sup>Genesis 1:26-2:3.

<sup>44</sup>Genesis 3:17-19; Romans 8:20-22; Hebrews 6:7-8.

<sup>45</sup>Genesis 3:17; Job 5:7; 14:1; Ecclesiastes 2:23. See also the wonderful piece on this subject by Margaret Diddams and Denise Daniels (2008) “Good work with toil: A paradigm for redeemed work,” *Christian Scholar’s Review*, (38: Fall), 61-82.

<sup>46</sup>Examples: Proverbs 6:6, 9; 9:4-6; 13:4; 19:24; 20:1; 21:17; 23:20-21, 29-30; 26:15; 30:25-27; 31:4-5.

<sup>47</sup>Deuteronomy 8:16-18; 1 Timothy 6:9-10.

<sup>48</sup>1 Corinthians 10:31; Colossians 3:17; 1 Peter 4:11.

<sup>49</sup>1 Thessalonians 4:11; 2 Thessalonians 3:10-12; Acts 18:3; Ephesians 4:28; etc.

<sup>50</sup>Genesis 4:7.

<sup>51</sup>Galatians 6:10; Proverbs 3:27

<sup>52</sup>1 Corinthians 7:21

<sup>53</sup>See Footnote 60.

<sup>54</sup>Psalms 8:3-8.

<sup>55</sup>Genesis 11:6.

<sup>56</sup>Exodus 19:5; Deuteronomy 10:14; Psalm 24:1; 50:10-12; 1 Corinthians 10:25.

<sup>57</sup>Romans 14:12; Matthew 12:36; 16:27; 1 Peter 4:5

<sup>58</sup>1 Corinthians 4:5

<sup>59</sup>Romans 8:32

<sup>60</sup>Matthew 5:45.

<sup>61</sup>Acts 2:35.

<sup>62</sup>2 Corinthians 8:2 (Chapters 8 & 9 are both commending the generosity of the churches in helping others in need.)

<sup>63</sup>Romans 12:8

<sup>64</sup>2 Peter 1:4; Hebrews 12:10; Ephesians 4:13, 24.

<sup>65</sup>Genesis 15:2

<sup>66</sup>Genesis 17:18-21

<sup>67</sup>Biblically, chance and luck are concepts that can only exist apart from an absolutely sovereign God who has revealed in His Word that “the lot [dice, sticks, cards, etc.] is cast into the lap, but its every decision is from the Lord.” (Proverb 16:33, emphasis added.) Biblically, God’s sovereignty extends to the hairs on our head (Matthew 10:30), the birds who fall to the ground (Matthew 10:29), and the selection of a replacement apostle (Acts 1:26) – nothing occurs in history by “chance” or is a function of “luck.”

<sup>68</sup>“Take a census of all the congregation of the sons of Israel [Jacob] from twenty years old and up-ward...who is able to go out to war in Israel.” (Numbers 26:2) Women, children, and the infirmed were not included in the census – only the able-bodied male adults.

<sup>69</sup>Numbers 26:4-51; Joshua 13:15 – 21:45.

<sup>70</sup>The land masses given to each tribe are ranked from the map, “Canaan As Divided Among The Twelve Tribes, c. 1200-1020 B. C.” (New York: C. S. Hammond & Co.) in the NASB (Collins World, 1973).

<sup>71</sup>Numbers 33:54

<sup>72</sup>Numbers 26:57, 62; 35:1-34; Joshua 21:7-9, 41-42.

<sup>73</sup>Numbers 36:6-9

<sup>74</sup>Leviticus 25:8-34. There is no evidence in either the Bible or other recorded history that the jubilee principle was actually put into practice but it does stand as a beacon of light indicating two things regarding the family of God, not for those outside of His family: 1) God did not want to see any “family member” forbidden by unjust economic practices or false barriers instituted by other “family members” from having access to an opportunity to engage in those activities that would allow him or her to provide for their fam-

ily's economic needs; and 2) the consequences of the personal decisions or circumstances of life that are worked out in one generation of those in the "family of God" should not continue to plague the heirs beyond two more generations if it is within the power of those "in the family of God" to right the loss.

<sup>75</sup>Deuteronomy 19:14; 27:17; Proverbs 22:28; 23:10

<sup>76</sup>Leviticus 19:35-36; Deuteronomy 25:13-16; Proverbs 11:1; 16:11; 20:10, 23; Micah 6:11.

<sup>77</sup>Leviticus 25:36-37; Deuteronomy 23:19-20; Psalm 15:5; etc.

<sup>78</sup>See Footnote 82.

<sup>79</sup>Robert Heilbroner, *The Making of Economic Society*, p. 28.

<sup>80</sup>Robert Heilbroner, *The Making of Economic Society*, p. 30.

<sup>81</sup>*Ibid*, p. 30-31.

<sup>82</sup>T. H. Hollingsworth, "A Demographic Study of the British Ducal Families," *Population Studies*, XI (1957-58)

<sup>83</sup>Robert Heilbroner, *The Making of Economic Society*, p. 32.

<sup>84</sup>*Ibid*, p. 34.

<sup>85</sup>*Ibid*, p. 34. (Explanation added.)

<sup>86</sup>*Ibid*, p. 35.

<sup>87</sup>*Ibid*, p. 36, emphasis added.

<sup>88</sup>R. H. Tawney, *Religion and the Rise of Capitalism*, (New York: Harcourt, Brace & World, 1947), p. 31.

<sup>89</sup>Robert Heilbroner, *The Making of Economic Society*, p. 45-68

<sup>90</sup>George G. Coulton, *Medieval Village, Manor and Monastery* (New York: Harper & Row, Torchbooks, 1960), p.15

<sup>91</sup>Robert Heilbroner, *The Making of economic Society*, p. 46-47

<sup>92</sup>*Ibid*, p. 47-48.

<sup>93</sup>*Ibid*, p. 49-50.

<sup>94</sup>*Ibid*, p. 50-51.

<sup>95</sup>*Ibid*, p. 51-52.

<sup>96</sup>Richard C. Chewning, *Business Ethics in a Changing Culture*, p. 31.

<sup>97</sup>E. A. J. Johnson and Herman E. Krooss, p. 21.

<sup>98</sup>Robert Heilbroner, *The Making of Economic Society*, p. 41

<sup>99</sup>Johnson and Krooss, p. 30-34.

<sup>100</sup>Richard C. Chewning, p. 32.

<sup>101</sup>Robert Heilbroner, *The Making of economic Society*, p. 55-57.

<sup>102</sup>*Ibid*, p. 57-58.

<sup>103</sup>Charles P. Sherman, *Roman Law in the Modern World*, Volume 1 History, (New York: Baker Voorhis and Co., 1937) p. 1-10.

<sup>104</sup>Robert Heilbroner, p. 58-61.

<sup>105</sup>*Ibid*, p. 61.

<sup>106</sup>*Ibid*, p. 62-63.

<sup>107</sup>A. E. Monroe, ed., "Summa Theologica," in *Early Economic Thought* (Cambridge, Mass.: Harvard University Press, 1924), p. 54. Note that a profit is deemed to be fraud.

<sup>108</sup>Johnson and Krooss, p. 102.

<sup>109</sup>*Ibid*, p. 103.

<sup>110</sup>There are literally hundreds upon hundreds of quality writings and books that describe the multitude of people, events, social and political institutions, habits, customs, laws, wars, trading activities, economic forces, plagues, and many hundreds of other parts that resisted and advanced the ferment and movements that gave rise to the notion of "free markets" and the benefits that are derivable from within its confines.

<sup>111</sup>Table 1 is a reproduction of Figure 2.1 taken from pages 18-19 of Chapter 2, "The Old Values," found in *Business Ethics in a Changing Culture* created by this author and cited earlier in footnote 92. This diagram was subsequently published in the *Presbyterian Journal*, December 8, 1982 and then distributed throughout the Presbyterian Church in America as a Sunday "Bulletin New-supplement."

<sup>112</sup>Chewning, Richard C., *Business Ethics in a Changing Culture*, page 22.

<sup>113</sup>*Ibid*, p. 23.

<sup>114</sup>Johnson and Krooss, op cite, p 35.

<sup>115</sup>Chewning, op cit, p. 24.

<sup>116</sup>*Ibid*, p. 25.

<sup>117</sup>Flew, Anthony, ed., *A Dictionary of Philosophy*, (The Macmillan Press, Ltd., Pan Books, 1979) p. 72.

<sup>118</sup>*Ibid*, p. 34.

<sup>119</sup>*Ibid*, p. 120.

<sup>120</sup>*Ibid*, p. 83-86.

<sup>121</sup>Chewning, op cit, p. 43

<sup>122</sup>Heilbroner, *The Making of Economic Society*, p. 76.



<sup>123</sup>The Apostle Paul tied his appeal for the belief in and acceptance of the resurrection of Christ from the dead in the substance of the “historic/legal” means of knowing singular non-recurring events that took place in time space history: personal experiences observed by two or more creditable witnesses – read 1 Corinthians 15:3-8.

<sup>124</sup>Chewning, op cit, p. 31.

<sup>125</sup>Tawney, op cit, p. 15, 16, 34-35.

<sup>126</sup>Chewning, op cit, p.33-34.

<sup>127</sup>Jones, W. T., *A History of Western Philosophy*, (New York: Harcourt Brace Jovanovich, Inc., 1952) p. 719-720.

<sup>128</sup>Ibid, p. 741.

<sup>129</sup>Ibid, p. 742.

<sup>130</sup>Ibid, p. 743-751.

<sup>131</sup>Chewning, op cite, p. 28.

<sup>132</sup>Weber, Max, *The Protestant Ethic and the Spirit of capitalism* (London: George allen and Unwin, Ltd., 1948) p. 79-92.

<sup>133</sup>Tawney, op cit, p. 72-91

<sup>134</sup>Ibid, p. 96.

<sup>135</sup>Ibid, p. 102-112.

<sup>136</sup>Weber, op cite, p. 108-128.

<sup>137</sup>See “The Reverend Richard John Neuhaus” endorsement on the back cover of the “jacket” of Stark’s book. The TIME quote was taken directly from there.

<sup>138</sup>This is the argument put forth by Stark in *The Victory of Reason*, (New York: Random House, 2005)

<sup>139</sup>Max Weber, op cit, p.175. (Emphasis added.)

<sup>140</sup>Spurgeon, Charles H., *Morning and Evening: Daily Readings*, (McLean, VA: MacDonald Publishing Company, ISBN 0-917006-26-7) p. 82, “Morning,” February 10. (Emphasis added.)

<sup>141</sup>Strassman, W. Paul, *Risk and Technological Innovation* (Ithaca, N. Y.: Cornell University Press, 1959).

<sup>142</sup>Johnson and Krooss, op cit, p. 199-200.

<sup>143</sup>The story of how America overcame the English advantage in textile technology is a fascinating story. The English forbade the emigration of skilled textile workers and they “took great pains to prevent the export of machines, models, or plans” to America. Johnson and Krooss, *The American Economy*, page 204.

<sup>144</sup>Johnson and Krooss, op cit, p. 239-240; Davis, J. S., *Essays in the Earlier History of Ameri-*

*can Corporations*, (Cambridge, Mass.: Harvard university Press, 1917.) and Handlin, Oscar and Mary F., “Origins of the American Business Corporation,” *Journal of Economic History*, Volume V, 1945.

<sup>145</sup>Robert Heilbroner, op cit, p.114.

<sup>146</sup>Cochran, Thomas and William Miller, *The Age of Enterprise*, (New York: Harper & Row, Torchbooks, rev. ed., 1961) p.139.

<sup>147</sup>Johnson and Krooss, op cit, p 258 for figures, and p. 239-263.

<sup>148</sup>Ibid, p. 260-267.

<sup>149</sup>National Lawyers Association, *The Declaration of Independence & The Constitution of the United States*, (Kansa City, Missouri, undated, private publication) p. 33.

<sup>150</sup>“Acton News and Commentary,” February 7, 2007, excerpted comments by Samuel Gregg, Director of research at the Action Institute on his book: *The Commercial Society – Foundations and Challenges in a Global Age*, (Lexington Books, 2006)

<sup>151</sup>Michal Novak, op cit, p.187-236.

<sup>152</sup>Richard C. Chewning, op cit, p.147-152.

<sup>153</sup>Rawls, John, *A Theory of Justice*, (Cambridge: Harvard University Press, 1971)

<sup>154</sup>Chewning, op cit, p. 148 (Explaining comment added.)

<sup>155</sup>Both philosophies claim to be normative. Each philosophy, however, is only normative to those who subscribe to its particular tenets. Both cannot in fact be normative. They are irreconcilably in conflict regarding the essentials.

<sup>156</sup>Marx, Karl and Frederick Engels, *Manifesto of the Communist Party*, (Peking, China: Foreign Language Press, 1975). It was first published as a pamphlet in London in February, 1848. The “Manifesto,” Chapter III, Part 2. “Conservative or Bourgeois Socialism,” pages59-60: “1. Abolition of property in land and application of all rents of land to public purpose...3. Abolition of all right of inheritance...”, etc.

<sup>157</sup>Those desiring to delve into the depths of the philosophy of egalitarianism should read and study the work of John Rawls as he has presented the case for the “Fairness Principles” in his book *A Theory of Justice*, op cit.

<sup>158</sup>See the work of Robert Heilbroner in *The Worldly Philosophers*, Chapter V, “The Visions



of the Utopian Socialists,” where he describes the vision regarding Robert Owen’s “Villages of Cooperation.” Others such as Count Henri de Rouvroy de Saint-Simon, Charles Fourier, and in Chapter VI, “The Inexorable System of Karl Marx.”

<sup>159</sup>Jeremy Bentham (1748) and John Stuart Mill (1806-1873) are the “fathers” of utilitarianism. Mill was the author of four books that are considered classics in their field: *On Liberty*; *Logic*; *Considerations on Representative Government*; and *Utilitarianism*. Bibliographical references to some of these works, and others, can be found in the Bibliography at the end of article.

<sup>160</sup>Chewning, *op cit*, p. 150.

<sup>161</sup>Amos 2:4, 6-8; 3:15; 4:1; 5:11-12; 6:1-6; 8:1-6.

<sup>162</sup>Amos 5:24.

<sup>163</sup>The word “rights” is the Hebrew word *diyn* – Lexical #1779 that means “lawsuits, judgments, etc.”

<sup>164</sup>Proverbs 31:8-9.

<sup>165</sup>Galatians 5:23.

<sup>166</sup>Acton Institute, “Religion & Liberty” (May and June, 1992; Volume 2, Number 3) in a piece entitled Friedrich August von Hayek (1899-1992): “Our moral traditions developed concurrently with our reason, not as its product.” p. 1-2.

<sup>167</sup>This was the working title of Josh Dougan’s honors thesis.

<sup>168</sup>The student provided me a bibliography of twenty-five references that included: Adamany, David and Joel B. Grossman, *Support of the Supreme Court as a National Policy Maker*, (New York: Longman, 1989); Carp, Robert A. and C. K. Rowland, *Policy Making and Politics in the Federal District Courts*, (Knoxville: University of Tennessee Press, 1983); Casper, Jonathan D., *The Supreme Court and National Policy Making*, (New York: Longman, 1989); Dahl, Robert A., *The Supreme Court’s Role in National Policy Making*, (New York: Longman, 1989); and Shapiro, Martin M., *Law and Politics in the Supreme Court*, (New York: The Free Press, 1964).

<sup>169</sup>“Freedom” *per se* does not exist apart from a defining context. We may be free from; free to; free by; free for; etc., but words like free and freedom are meaningless apart from a connective. We cannot just be free in some abstract sense. This

point was discussed with this particular student at great length.

<sup>170</sup>It is impossible not to have some sense of embarrassment regarding the enormous number of important historic people, families, and events that have been such an integral part of the history of God’s providential development of capitalism but have been left out of this account of the rise of capitalism. No time has been spent in this treatise on the Italian families that were engaged in the early Mediterranean trade, or bankers and world traders who amassed huge sums of capital and risked it in commerce. Indeed, the whole development of banking and investment banking and their roles in the rise of capitalism has been left out. Such roles were, however, extremely important. And the merchant capitalist too have received only a mention here and there, yet they were the forerunners that set the stage for the early industrialist. On and on one could go in finding omissions in the account that has been given of the rise of capitalism.

<sup>171</sup>“Special grace” is theologically conceived of as God’s free regenerative, justifying, sanctifying and transformational work applied to the lives of those whom He has adopted. It is the work of conforming those in Christ into His likeness, degree by degree throughout their earthly lifetime. (See *Bakers Dictionary of Theology*, *op cit*, p. 257-258.)

<sup>172</sup>“Common grace” is the ability of those not in Christ to come to an appreciation of and commitment to those things that honor God’s purposes even though they do not attribute their values and perceptions to God the provider of all good things. Those in the Roman Catholic tradition tend to associate “natural law” with “common grace” a bit more than do those in the Protestant tradition although Protestants are deeply committed to “natural law” and its mirroring “spiritual laws.” (See *Bakers Dictionary of theology*, *op cite*, p. 131.)

<sup>173</sup>“Favored,” not in the sense of caused or blessed through His active promotion, but “favored” in the sense of being pleased to see how many of His adopted children worked in and through this particular system to promote the well being of so many of His image bearers.

<sup>174</sup>Matthew 5:13-16.

<sup>175</sup>Romans 12:1. (Emphasis added.)

<sup>176</sup>Every reader may well have other scenarios in mind in addition to the seven selected by this author. For example, globalization and the “shrinking” world may well be a “favorite” issue with some readers. Globalization will clearly put pressure on all nationally based economic systems to make certain accommodations when they begin trading with other nations that have very different value foundations upon which they live and work. But this author has not included this “real” change agent in his mix of factors. Why? Because it is his opinion that the “collapse” of the “relatively free, competitive, democratic capitalistic system” being enjoyed in the United States today will be brought about by internal factors, not external ones.

<sup>177</sup>Johnson and Krooss, *op cit*, p. 97-99; 141-151; 164-165; etc.

<sup>178</sup>The “facts” contained in these comments were gleaned from a Google Search that turned up the facts in a listing of places where one could go to buy the materials that would discuss the “highlights” which were used to advertise the source materials.

<sup>179</sup>Chewning, *op cit*, p. 50.

<sup>180</sup>A clear response to this revision of history is described in the February 17, 2007 issue of *World*, page 11, where Janie B. Cheaney reviews Peter Lillback’s book, *George Washington’s Sacred Fire*, (Providence Forum Press, 2006). The book is 1,170 pages long and contains “almost 200 pages of endnotes [that] provide the documentation; and one-third of the bibliography consists of primary sources.” She further reports that “The text is largely commentary on the appendices.” She reviews the fact that many of our founding fathers are being discredited by revisionists who have been working hard during the past 80 years to “savaged the cloak of nobility that once wrapped our Founding Fathers. Their religious beliefs have undergone particular scrutiny in these days of church/state conflict: Supposedly they were all deists, except for a few second-stringers like Benjamin Rush and John Witherspoon.” On page 724 Lillback writes, “The question is whether we will light our future with Washington’s ‘sacred fire of liberty’ or the wildfire of a culture marked by a rootless, historical amnesia.” Post-modernists

believe that the historical documents only mean what they mean to the individual reader. There is no “true history.”

<sup>181</sup>Kant, Immanuel, *Critique of Pure Reason*, translated by Norman Kemp Smith (New York: Macmillan and Company, Ltd. 1963) p. 29. (Emphasis added.)

<sup>182</sup>Soren Kierkegaard’s “leap of faith” is a progressively developed concept and theme in much of his work, but it is not a specific phrase used by him. The introductory comments to *Philosophical Fragments* (translated from Danish by David F. Swenson shows the concept to be pure Kierkegaardian, however (page xxii). In Chapter III of *Philosophical Fragments*, Kierkegaard develops the specific concept of the “leap” and its core importance (page 34). Then in Chapter IV he carefully defines “faith” and its importance in dealing with Reason, the Paradox, and the Moment (page 47). It is in his work *The Concept of Dread* (translated from Danish by Walter Lowrie, New Jersey: Princeton University Press, 1946), however, that the motivation for the “leap of faith” is developed. This is clearly seen in Chapter V, “Dread as a Saving Experience by Means of Faith.” Dread (despair), and the realization that Reason is incapable of proving God, serve to motivate the individual to take the “leap of faith” and by it come to a peaceful trust in the reality of God’s atonement.

<sup>183</sup>John 18:38.

<sup>184</sup>Max Weber, *op cit*, p. 175.

<sup>185</sup>2 Timothy 3:5.

<sup>186</sup>See footnotes 175 and 176.

<sup>187</sup>Ezekiel 9:4-10

<sup>188</sup>1 Peter 4:17

<sup>189</sup>There are authors such as Robert W. Fogel, a Nobel Prize winning economist at the University of Chicago, who believe there is a need for a “spiritual” component in life but who do not connect such thoughts with the Christian faith but rather with some egalitarian awakening. His book, *The Fourth Great Awakening & The Future of Egalitarianism*, (Chicago: University of Chicago Press, 2000), make this abundantly clear. And then there are people like William Strauss and Neil Howe who have written, *The Fourth Turning: An American Prophecy*, (New York: Broadway Books, 1997), who perceive that the

period of time between 1964-1984 was a “fourth awakening” (a positive one) with its urban riots, campus fury, feminist movement, and emphasis on environmental concerns. All three authors call this period the “fourth awakening” because they are comparing it with what historians have called: the “First Awakening” (1730s-1740s): the revival period of Jonathan Edwards; the “Second Awakening” (1800-1830s): the spiritual teaching and influence of the Finneys; and the “Third Awakening” (1880-1900): the period of the “social gospel” and the rise in the acceptance of the “post millennium” teachings. Orthodox Christians though do not interpret such “activities” as constituting a “Fourth Awakening.”

<sup>190</sup>Proverbs 25:26

<sup>191</sup>Revelation 13:16-17.