



## Government and Economics: Free Markets & Regulation

OCTOBER 21, 2013

In order to best explain what the Scriptures teach about free markets and regulation, I would like to draw a theological parallel – which in itself should prove instructive.

The healthiest Christians are what I call Biblicists. That is to say they rely on the Bible as their standard for all of faith and practice. To the right of a Biblicist is a Libertinist who takes liberty with scriptural commands reasoning that Jesus died for all our sins anyway – so then why not take liberties with biblical guidelines? To the left of the Biblicist is the Legalist. This person adds to the standards of Scripture and enforces them on others as the supposed true litmus test for spirituality.

In a parallel sense, the healthiest economies are characterized by Free Market enterprise. In an economic sense we should all strive to be Free Marketers. Similar to the theological continuum above, to their right are Libertarians and to their left are Communists. I think this is a good analogy for best understanding the role of Government pertaining to societal economics. Read on and allow me to further unpack what the Bible says about Free Markets.

### Weekly Bible Study During Session

Wednesday Mornings 8:00 AM Sharp. Capitol Building Family Room H324  
Hot Breakfast Served.

Robert Aderholt, *Alabama*  
Michele Bachmann, *Minnesota*  
Spencer Bachus, *Alabama*  
Marsha Blackburn, *Tennessee*  
Jim Bridenstine, *Oklahoma*  
Paul Broun, *Georgia*  
John Campbell, *California*  
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Michael Conaway, *Texas*  
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John Duncan Jr., *Tennessee*  
Mary Fallin (Gov.), *Oklahoma*  
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Trent Franks, *Arizona*  
Scott Garrett, *New Jersey*  
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Gregg Harper, *Mississippi*  
George Holding, *North Carolina*  
Bill Huizenga, *Michigan*  
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Austin Scott, *Georgia*  
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Lamar Smith, *Texas*  
Steve Southerland, *Florida*  
Steve Stockman, *Texas*  
Marlin Stutzman, *Indiana*  
Glenn Thompson, *Pennsylvania*  
Scott Tipton, *Colorado*  
Tim Walberg, *Michigan*  
Randy Weber, *Texas*  
Daniel Webster, *Florida*  
Lynn Westmorland, *Georgia*  
Roger Williams, *Texas*  
Joe Wilson, *South Carolina*  
Rob Wittman, *Virginia*  
Steve Womack, *Arkansas*  
Rob Woodall, *Georgia*  
Ted Yoho, *Florida*



## I. INTRODUCTION

Spiritual Libertinism is descriptive of a person who is unrestrained by convention or morality; more specifically it is one who is given to indulgence based on the fact that Jesus paid it all: my sins are washed away, past present and future. The Apostle Paul foresaw such behavioral conclusions from so free a salvation when he penned Romans 6:1,

***What shall we say then? Are we to continue in sin that grace might increase? May it never be! How shall we who died to sin still live in it?***

Paul trumps such thinking with another theological truth: the believer is dead to sin once he has accepted Jesus into his heart. Biblical Libertinism then is a meritless concept.

In a parallel sense, the error of Economic Libertarianism is best summarized I think by Grudem:

Therefore I differ with “Libertarian” views of government that make human freedom of choice their ultimate standard of good rather than obedience to God’s moral principles of the Bible, and fail adequately to recognize that governments should do “good” for people [Rom. 13:4], not merely protect their freedom.

When you ponder Spiritual Libertinism and Economic Libertarianism they share in common the higher authority of man over and above biblical revelation; both believe their personal liberty is the highest good. On the other hand the Spiritual Biblicist and the Economic Free Marketer both view God’s principles of the Bible as the highest concern and final adjudicator.

On the other side of the continuum in my analogy are the Spiritual Legalists and the Economic Communists. They both share in common superimposing their extrabiblical ideas on others. Both live on Mount Superior and it is difficult to

get through their gate at the bottom of the hill. There is a standard for individual and corporate behavior respectively that not only robs the joy out of living, but it doesn’t work! One need only visit a legalistic Church or a Communist country to know what I mean.

As it pertains to this week’s study, neither Economic Libertarianism nor Economic Communism (see my exegetical study three weeks ago on Communism vs. Capitalism) are governmental systems that are substantiated by Scripture – just like Spiritual Libertinism and Spiritual Legalism too, are not supported by Scripture.

What follows is a theological apologetic construct relative to Scripture upholding the idea of Free Market enterprise.

## II. UNPACKING LIBERTARIANISM

Economic Libertarianism upholds personal liberties as the highest political end. This value is deemed more highly than biblical principles. The problem with this ideology is that Adam and Eve sinned when free choice was the highest good.... and sinning, (in this context having no governmental laws or state authority that is preeminent to man’s free choice) leads to economic chaos. Recent American hurricanes serve to illustrate this principle: When governmental authority and state laws are non-existent due to the imposition of a storm, looting and crime pops up almost immediately.

The Free Marketer believes there is a role for Government to play – not so much as to live in a Communist country – but there is a balance. Most every society today agrees that some governmental regulations are needed to create a thriving economy. For instance courts punish fraud and injustice amongst businesses. Certain agencies need to create and enforce health and safety standards. Government needs to make sure weights and measures are accurate.



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In addition societies today see a need for certain governmental services such as maintaining roads, a fire department, police department, and city planner. And if governments do not provide a trustworthy currency, economic trade becomes much more difficult. It is hard to imagine a culture thriving without some level of government, and in fact, God did ordain the institution of Civil Government as is evidenced in Genesis 9, 1Samuel 12 and Romans 13! The Economic Libertarians must keep that in mind as they reason out their political ideology: Does God know best, or do the Libertarians?

### III. UNPACKING COMMUNISM

As we have seen in past studies in this series, ownership of property is not the primary role of Government. I have built a strong exegetical case for that recently.

Further, however, the use of the Government for the personal enrichment of the Government itself, or a leader in Government or his family, runs contrary to what Scripture teaches regarding God's intended purposes for this institution of His. In 1Samuel 12:3-4, Israel's leader, Samuel the Judge said to the nation of Israel at the end of his service....

***Here I am; bear witness against me before the LORD and His anointed. Whose ox have I taken, or whose donkey have I taken, or whom have I defrauded? Whom have I oppressed, or from whose hand have I taken a bribe to blind my eyes with it? I will restore it to you." 4 And they said, "You have not defrauded us, or oppressed us, or taken anything from any man's hand.***

This passage serves to foreshadow what the NT shouts: That the institution is to serve the good of the people, not a Judge, King, Emperor or

President. Romans 13:4 definitively states of Government....

***For it is a minister of God to you for good. But if you do what is evil, be afraid; for it does not bear the sword for nothing; for it is a minister of God, an avenger who brings wrath on the one who practices evil.***

As stated in our study three weeks ago relative to, Government and Development, the institution exists primarily to serve the people, quell evil and create justice. In making the point that Communist forms of Government are patently unbiblical because they go way beyond this biblical definition, let us now review and underscore the biblical abnormality of Government owning property.

### IV. GOVERNMENT SHOULD ENCOURAGE INDIVIDUALS TO DEVELOP PRIVATELY OWNED RESOURCES

Governments should not only foster and encourage but also incentivize their citizenry to create economic growth for themselves. To do so is to enrich, diversify and stabilize a nation *and* its civil administration.

On its face, Romans 13:4 does not take a lot of explaining to be properly understood. It says Government exists in part **for [your] good**. That is to say *it is to serve its citizenry* – to do **good** for them. This scriptural idea is appropriately woven into the contract of our Constitution, wherein our exegetically sensitive Christian Forefathers wrote that our Government exists to “promote the general welfare” of the nation. The historic way in which our Government has served its people **for good** is through identifying the worth of and incentivizing the unique contribution of each of the other four God-ordained institutions (a concept developed at length in other Bible studies); each provide a unique contribution to the nation that the



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others cannot. Notice one illustration of this in each of the following four other institutions (stating what follows is not to imply that our Government does everything correctly to incentivize each of the following; in fact some policies serve as disincentives to each that follow:

#### A. THE INSTITUTION OF COMMERCE

Government has historically provided tax write-offs to businesses that reinvest their wealth to build their businesses larger, thereby creating more jobs for others. Building a business is a business expense that is tax-deductible – what a wonderful incentive!

#### B. THE INSTITUTION OF MARRIAGE

Government has historically provided tax incentives for marriages to have more children. Our daughter and her husband will give birth to our fifth grandchild in December – just in time to pick up their federal child tax deduction and the California state tax credit! Let's up the incentives and double the size of the nation – that will stimulate the economy!

#### C. THE INSTITUTION OF FAMILY

Recently, due to **Congressman Trent Franks'** (Arizona) legislation, Government is giving tax deductions to those who support the education of children. This ends up saving the Government money by not having to educate children in expensive public schools. This is brilliant thinking!

#### D. THE INSTITUTION OF THE CHURCH

Government has historically provided tax incentives for people who give to religious institutions. That is great thinking and policy because like the other institutions, Government cannot accomplish nearly as efficiently what each of the other institutions does best. In this case the Church builds character in the citizenry, whereas the Government is not in the character business,

(“no kidding” remarked my editor at this point in my copy) rather it exists to punish evil.

#### E. SUMMARY OF POINT

Our Government has acknowledged the value each of these institutions provides to the nation and has profoundly and wonderfully *served* them by way of incentivizing each to do what it does best.

### WHAT HAS RESULTED IS A HUGE CULTURAL SYNERGY OF GOOD AND RAPID NATIONAL ADVANCEMENT UNPARALLELED IN WORLD HISTORY

As a lawmaker, these are examples of great laws that align with the teaching of Romans 13:4 and should be preserved: They wonderfully manifest the biblical teaching that Government **is a servant of God to you for good**. Herein illustrated by our own Government is the biblical idea that government should incentivize the overall development of a nation. You and I can praise God that we live in a country that is, at least in this area, biblically spot-on! May the institutional incentives from Government only increase in the years ahead!

The aforementioned serves to illustrate why Economic Communism has no biblical basis, nor does it have pragmatic success. One needed only to have visited East and West Germany when the wall was in place: The same people at the same time with the same natural resources – one controlled by Free Market and the other by Communist principles – to experience the stark difference in economic outcome!

#### V. PROHIBITIONS OF GOVERNMENTAL SELF-AGGRANDIZEMENT

By way of review, the fundamental purpose of Government is to serve the people, not profit from them. That being the case, it follows that Scripture would be replete with warnings about misusing one's governmental position both in an institutional and individual sense. The misuse of power is



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illustrated continually throughout the OT in terms of those taking advantage of their position via bribery. The many passages on bribery that follow serve to illustrate that God deplors those who take advantage of their position – in contrast to serving the citizenry. Bribery is too often the reason why Free Market Capitalism fails in some countries.

**Bribery** *Shochad* exists only with people who have some sort of power and authority; that is to say that passages on bribery are always related to someone who is being tempted to misuse their authority. Notice the many passages that condemn this misuse of power.

**A. 1SAMUEL 8:11-17**

***He said, "This will be the procedure of the king who will reign over you: he will take your sons and place them for himself in his chariots and among his horsemen and they will run before his chariots. <sup>12</sup> "He will appoint for himself commanders of thousands and of fifties, and some to do his plowing and to reap his harvest and to make his weapons of war and equipment for his chariots. <sup>13</sup> "He will also take your daughters for perfumers and cooks and bakers. <sup>14</sup> "He will take the best of your fields and your vineyards and your olive groves and give them to his servants. <sup>15</sup> "He will take a tenth of your seed and of your vineyards and give to his officers and to his servants. <sup>16</sup> "He will also take your male servants and your female servants and your best young men and your donkeys and use them for his work. <sup>17</sup> "He will take a tenth of your flocks, and you yourselves will become his servants.***

This passage records Samuel speaking further to Israel right after the former passage as used earlier in this study. First, Samuel wanted to make sure he did not personally abuse his institutional authority and then he went on to warn Israel that (unlike

him) the tendency of any institutional leader will be to abuse its authority.

The tendency of Government is to expand itself beyond what God has called it to achieve – and misuse its power. This is a proclivity of man's fallen nature, and why a representational form of government "by the people and for the people" is the best form of government (but no governmental system is perfect in a fallen world, as is illustrated by America's woeful inability to slash its spending with a representational form of government). It is also why in the sense of Church institutions, I like denominations and congregational rule: both serve to check the pastor who might get too much power and run with it.

In a personal experience of this principle (relative to the institution of the Church): some years ago, an independent pastor, whose board members were almost exclusively on his payrolls, made a statement about me – claiming he was speaking on behalf of his board; later on, evidence revealed he was speaking for himself. As a public figure, you know what I am talking about. You are hurt by autonomous slander almost daily; for me not as much, but I know how deeply it hurts you. The point is that in a fallen world there always needs to be checks on what otherwise amounts to runaway autonomous power. Here are several passages that speak to such abuses that destroy Free Markets....

**B. DEUTERONOMY 16:19**

***"You shall not distort justice; you shall not be partial, and you shall not take a bribe, for a bribe blinds the eyes of the wise and perverts the words of the righteous.***

**C. PSALM 26:10**

***In whose hands is a wicked scheme, And whose right hand is full of bribes.***

**D. PROVERBS 15:27**



***He who profits illicitly troubles his own house, But he who hates bribes will live.***

E. EZEKIEL 22:12

***In you they have taken bribes to shed blood; you have taken interest and profits, and you have injured your neighbors for gain by oppression, and you have forgotten Me, declares the Lord GOD.***

F. HABAKKUK 1:2-4

***How long, O LORD, will I call for help, And You will not hear? I cry out to You, "Violence!" Yet You do not save. <sup>3</sup> Why do You make me see iniquity, And cause me to look on wickedness? Yes, destruction and violence are before me; Strife exists and contention arises. <sup>4</sup> Therefore the law is ignored And justice is never upheld. For the wicked surround the righteous; Therefore justice comes out perverted.***

All of the aforementioned passages underscore misuse of Government for personal advancement rather than service of the people. May this sin never be counted against you because the sin of bribery is hugely damaging to Free Market Economics! Russia is a good example. Their efforts to replace Communism with Free Market Capitalism have been greatly stymied by a carryover culture that tolerates bribery.

#### **VI. AN EXAMPLE OF GOVERNMENTAL SELF AGGRANDIZEMENT**

Omar Bongo ruled the country of Gabon in Africa for forty-one years. He serves to illustrate the misuse of Government for personal gain. States Grudem,

The Daily Telegraph of London reported that Bongo “considered everything inside [Gabon] to be his personal property and elevated corruption

to a method of government.” Taking for himself a large share of Gabon’s oil wealth, he “owned 33 properties in Paris and Nice” and an additional [\$138 million] were in accounts in New York, and “these discoveries were probably only the tip of the iceberg; Bongo’s fortune certainly ran into the hundreds of millions of dollars and may have reached the billions.” Unfortunately, among countries where governments have no effective separation of powers, stories like this could be repeated many times.

Bongo serves as a colorful antonym to Government’s purpose for existence:

**GOD DOES NOT INTEND GOVERNMENT TO BE THE VEHICLE FOR A LEADERS’ GAIN, RATHER, IT IS TO HOUSE THE PEOPLE’S FREE MARKET!**

#### **VII. SUMMARY**

Free Market Capitalism is God’s blueprint for growing a nation’s economy. Both Libertarianism and Communism are riddled with pragmatic problems caused by their theological and ideological contradictions. These systems don’t come close to achieving for a society what biblical Free Market enterprise does! This is why ventures such as Solyndra, The Affordable Health Care Act or the US Postal Service will never be able to provide goods and services competitive with those provided by Free Market Capitalism. The failures of these illustrations are predictable, given what Scripture says are God’s intended purposes and limitations to His institution of Government.

Closely parallel to being a Spiritual Biblicist and not a Libertinist or a Legalist, there exists an economic tension between the extremes of Libertarianism and Communism that a nation must maintain in order to best facilitate economic prosperity. Living in the balance between those two extremes is biblically based Free Market Capitalism. Per what we have gleaned from the Word in this study, God desires Governments to support Free Market Capitalism.