

One Protestant
Tradition's
Interface with
Austrian
Economics
Christian
Reconstruction as
Critic and Ally

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Christian Reconstructionists are postmillennial Calvinistic Protestants whose adherents seek to reconstruct society in accord with biblical principles. Unlike socialist-utopian postmillennialists, Reconstructionists hold to broadly free-market views and have an affinity for Austrian economics. However, Reconstructionists contend that libertarianism's secular defenses of the free market, its methodological individualism, and its epistemological subjectivism have insurmountable weaknesses that leave its adherents with a philosophically ambiguous, internally inconsistent, and practically unconvincing argument against top-down centralization. Reconstructionists argue that only the Bible can provide an objective advocacy of capitalism. Reconstructionists also defend a covenantal social theory against the individualistic social theory of libertarians. They claim that insofar as the Austrian method and biblical Christianity contain presuppositions, neither can claim to avoid an appeal to faith. Despite their differences, we conclude that libertarians and Reconstructionists can have dialogue to their mutual advantage.

Distinctives of Christian Reconstruction

Christian Reconstructionists are a loose subgroup of Protestant Christians who advocate a conservative, Calvinistic Reformed approach to Christianity. In particular, Reconstructionists are known for viewing all moral human work as having lasting significance; for believing that human society is ultimately progressing toward biblical ideals—though unevenly—and; most notoriously, for holding that the principles of the Old Testament Mosaic legal code generally

apply to modern society (a view known as theonomy). In their view, the foundations of modern secular society have crumbled, and Christians have a responsibility to “reconstruct” all of society on biblical principles. Although Reconstructionism has implications for a wide variety of Christian concerns, this article addresses only the political and economic aspects of Reconstructionist thought by exploring the relationship among Reconstructionist thought, libertarianism, and Austrian economics. Some useful work toward this end has been done by Noell (1993). We hope to extend his discussion by more closely examining some points at which Reconstructionists have criticized libertarianism and Austrian economic thought.

The methodology and eschatology of Reconstructionists are the basis of their political views. Reconstructionists are postmillennial Calvinists, but not postmillennial in the socialist-utopian sense.¹ Rather, Christian Reconstructionists form an active paleoconservative element in Protestantism that also recognizes the moral limitations of human government.²

Although Reconstructionist leaders are prolific writers, they are a tiny minority within Protestantism and are often overlooked. Anderson and Lang-elett (1996), in their wide-ranging review of evangelical economic thinkers, were comfortable omitting any discussion of Reconstructionist contributions.³ Indeed, most Protestants would probably object to the tenets of Christian Reconstruction. Protestant leftward leaning on economic issues is evidenced in such groups as the World Council of Churches, the stated social doctrines of several large denominations,⁴ and the work of parachurch groups such as Ron Sider’s *Evangelicals for Social Action* and *Sojourners* magazine. Protestant economists such as Donald Hay (1989) and Douglas Vickers (1976, 1982) expressed doubts about the free market and were inclined to support a far more expansive role for the state than Reconstructionists would accept.

Even though Reconstructionists are Calvinistic and Reformed Protestants, there are many more Reformed scholars who are on the left both theologically and politically. Stivers (1989) provides a sampling of thought on economics from a major Reformed denomination, the Presbyterian Church (USA). The contributors to this work largely reject an order based on individual liberty as being inconsistent with a Christian understanding of justice.⁵ To these and many other Protestants, justice is not defined by an evenhanded application of procedural rules but by an evenness of outcomes.⁶ Disparities in wealth then become moral failings, which may be resolved by state coercion.

Christian Reconstruction has its share of adversaries even within relatively conservative evangelical circles. Because the mandate of Reconstructionists is thought to come from Genesis 1:26–28, Reconstructionists have been referred

to as “Dominionists,” or advocates of a “Dominion Theology.”⁷ The label is sometimes intended to inspire fears of a tyrannical theocracy.⁸ Within evangelicalism, dispensational theologians and/or those critical of a Calvinistic soteriology are especially critical of Christian Reconstruction. Dave Hunt, a popular author, exemplifies these criticisms from both perspectives and has engaged in a running feud with Reconstructionist authors.⁹

Even among theologically conservative Reformed Calvinists, Reconstructionism is a minority view. Insofar as *Reformed* means a general adherence to a Calvinist soteriology, there would be little disagreement there with Christian Reconstructionists. However, because there is no uniform Reformed theology on eschatology or covenant theology, for example, opinions of other Reconstruction principles vary throughout the Reformed community. Thus, amillennialists, for example, would certainly reject foundational ideas of Christian Reconstruction or perhaps be selective in their subscription to its implications.

Some of the most notable critiques of Christian Reconstruction come from within conservative Presbyterianism. The most organized scholarly response to Christian Reconstruction came in a monograph from the faculty of Westminster Theological Seminary, a vanguard institution for Reformed theology and Reformed churches.¹⁰ Also important are criticisms launched by Trinity Foundation founder John W. Robbins, an occasional writer on Christian economics¹¹ who has offered muted praise of Austrian economist Ludwig von Mises.¹² Robbins has attacked Reconstructionism generally and the thought of Reconstructionist Gary North in particular.¹³ Robbins has also criticized the theonomy prescriptions of Greg Bahnsen, an influential theologian who articulated Christian Reconstruction's view of biblical law.¹⁴ Robbins' indictment is largely rooted in a traditional Presbyterian adherence to confessionalism—a belief that articulated doctrines should not fall outside confessional standards of the denomination.¹⁵

No large conservative Presbyterian denomination in America has yet taken a formal position on Christian Reconstruction, though questions have been raised in the context of confessionalism. Bahnsen's ordination in the Orthodox Presbyterian Church (OPC) met with some opposition on confessional grounds.¹⁶ The Presbyterian Church in America (PCA), the largest conservative Presbyterian denomination, has taken no official position.¹⁷ Among smaller denominations, Reconstructionist sympathies exist in the Reformed Presbyterian Church in the United States (RPCUS) because of the close relationship of its founder, Joe Morecraft, to prominent Reconstructionist R. J. Rushdoony. In contrast, the General Assembly of the Free Church of Scotland,

declared the teachings of Christian Reconstruction to be a heresy in 1996 and denied adherence for any of its officers.¹⁸

Modern History of Christian Reconstruction

It was Cornelius Van Til (1895–1987), a professor of apologetics at Westminster Theological Seminary in Philadelphia, who laid the philosophical and theological foundations of Christian Reconstruction. It was Van Til's student, Rousas John Rushdoony (1916–2001), who gave the movement its explicit character.¹⁹ Rushdoony was an ethnic Armenian from a line of clergymen dating back to the fourth century. Rushdoony, for a time a clergyman himself, later became a staff member of the William Volker Fund, once one of the best-endowed free-market foundations.²⁰ In 1965, Rushdoony started the California-based Chalcedon Foundation, where he worked until his death in 2001.

In the summer of 1962, Rushdoony met Gary North, then a young college student, who had corresponded with Rushdoony earlier that year about the possible links between the Austrian economist Ludwig von Mises and biblical economics. North wanted to develop his interest in economics, so Rushdoony brought North to the Volker Fund as a summer intern in 1963. North describes that summer as a turning point: "It was during that summer that I read the major works of Ludwig von Mises, F. A. Hayek, Murray N. Rothbard, and Wilhelm Roepke. It was the most important 'summer vacation' of my life."²¹

In the following years, North would begin his work on what he called "Christian economics." In 1971, Leonard Read put North on the senior staff of the Foundation for Economic Education (FEE). While at FEE, North completed his doctorate (in history, with a dissertation in economic history) and began the research for his *Introduction to Christian Economics*. In 1973, North joined Rushdoony's Chalcedon Foundation staff. While there, he started the Institute for Christian Economics. For a short time beginning in 1976, North served on the Congressional staff of Ron Paul, after which he began writing full-time.²² In the eighties, the Christian Reconstruction camp increased in numbers and influence. By 1990, many conservative Christians were familiar with some part of Reconstructionism.

Christian Reconstruction's Interest in Libertarianism and Austrian Economics

Christian Reconstruction is in no small sense the gateway for libertarianism and Austrian economics to make its way into the thinking of the religious right. While there are clearly points of disagreement, libertarianism's link to Christian Reconstruction is much stronger than its link to other groups within the religious right.

First, while Reconstructionists do urge biblical morality for others, there is a clear belief among this group that the civil government does not have the authority to criminalize any and all immoral behavior. Not all (or even most) sins may be properly considered crimes. As one Reconstructionist writes, "The state may not criminalize what the Bible does not depict as a civil offense, nor may the state assume responsibilities beyond what the Bible enjoins."²³ The role of the state in the Reconstructionist view is severely limited; most authority in society is retained by the individual, the church, and the family. The jurisdictions of all three major institutions in society (state, church, and family), and of the individual, are circumscribed in the Bible, Reconstructionists believe. As a result, Christian Reconstructionist positions on taxation, the gold standard,²⁴ and education²⁵ resemble those of libertarians.

Reconstructionists see private property, a strictly limited state, and freedom generally as being supported by both Testaments of the Bible.²⁶ Reconstructionists are not anarcho-capitalists. The argument is not against the use of civil power as such but against the use of that power to intrude on God's exclusive sovereignty. As Rushdoony noted, "Compelling state interests are essentially and ultimately hostile to God as their rival and to man as a dissenter."²⁷

Reconstructionist Critiques of the Austrian School and Libertarianism

Despite many points of agreement with the Austrian school and libertarians, Reconstructionists maintain their distinctiveness in several ways. While Gary North has been more diligent than any other Reconstructionist in his study of and advocacy of the Austrian school, he has also been careful to articulate inconsistencies he sees in Austrian thought. We shall discuss three of his major critiques: his critique of the Austrian view of the market and subjective value theory, his rejection of secular individualism in favor of biblical covenantalism, and his epistemological critique of Mises.

Critique of the Austrian View of the Market and Subjective Value Theory

North is critical of secular defenders of the free market for many reasons. First, North believes that the secular defense of free markets and voluntary association with limited government is rooted in a secular epistemology that does not provide adequate first principles for a free society. North, in his economic commentary on Genesis, is critical of what he characterizes as “Men of the second half of the nineteenth century who prided themselves in their defense of autonomous natural science’s autonomous natural universe.” These men were “attempting to banish God’s sovereignty by banishing the concept of transcendent cosmic purpose.”²⁸ North characterizes the Austrians as simply encouraging a return to this Enlightenment faith in nature’s decentralized purposefulness. He writes, “The economic theories of virtually all defenders of free-market economics, but especially the theoretical framework of the so-called Austrian School ... have been constructed in terms of this eighteenth-century cosmology.”²⁹ While North would agree with the Austrian prescription for decentralization and free markets, he believes that the Austrian argument is internally inconsistent and fatally flawed in its epistemology.

North Versus Evolutionary Cosmology

North believes that Austrians have erred by integrating an evolutionary cosmology into their theory. Insofar as Darwin’s cosmology has become the worldview of the twentieth century, one might expect advocates of the free market to dominate. This is particularly true because biological evolutionary theory was derived from social evolutionary theory. North argues that Darwin and Wallace developed natural selection after reading Malthus’ “Survival of the Fittest,” which was attributed by Darwin to Herbert Spencer in the fifth edition of *Origin of Species* (1868). Spencer, a defender of the free market, used the phrase in an 1852 essay entitled, “A Theory of Population, Deduced from the General Law of Fertility.”³⁰ Hayek’s *Constitution of Liberty* notes the influence of social evolutionary theory on biological evolutionary theory.³¹

North argues that if Spencer’s cosmology had continued to rule the day in both social and biological science, the idea of an impersonal, coordinating free market would continue to have currency. However, North asserts that Spencer’s cosmology was doomed to failure. In the secular academic world of the late nineteenth and early twentieth centuries, Spencer’s Social Darwinist sociology became replaced by the ideas of Lester Ward, whose sociology advocated social and economic central planning.³² Spencer and his disciples failed to

offer people the “cosmic personalism” they wanted. Ward offered adherents the god of the centralized state.

North Versus Hayek's "Faith Claims"

North's deviation from the Austrians and free-market economists in general is rooted in his understanding of the philosophical assumptions of modern secular economics. Being Van Tilian in his philosophy, North rejects what he perceives to be alternative faith claims made by other economists. Hayek's stated “belief” in *Constitution of Liberty*³³ that freedom “on balance” will produce more “good” than “bad” is impossible because one cannot make “interpersonal comparisons of subjective utility.” North characterizes Hayek's claims as being rooted in faith. First, Hayek presumes to be able to judge aggregate utility, something that is impossible under subjective economic theory. Second, he presumes that an unplanned system (*cosmos*) will provide the results described.³⁴

Although North may disagree with Hayek's premises, he shares the same conclusion that a free market is best. North, however, claims that Hayek's faith in the rational planning capacity of man in an impersonal and free market is handicapped against the hordes of socialists and interventionists who find such faith claims absurd. North argues that because man, not God, is presented by Hayek as the only planner, we are left with two competing visions of humanism: Hayek's purposeful individual planner and socialism's central planner.

Neither are adequate, North argues, because neither has an unambiguous standard for evaluating utility. Hayek's subjectivism leaves him unable to make claims about aggregate benefits. Hayek claims that values are evolutionary, according to North,³⁵ and his belief in morals rooted in tradition leaves him prey for the claims of historicists.³⁶ Hayek's interventionist opponents may claim to possess objectivism, but they have no clear standard other than the “equity” of positivist civil government. Of the two arguments, North contends, Hayek's has the greater handicap in a rationalistic era. This is because Hayek's faith in the power of the impersonal market, which allows individuals to capitalize on information, has only the most limited appeal to people who want to believe in rational design.³⁷

North Versus Radical Subjectivism

At its root, North's attack is on the anthropocentrism of both the socialistic and free-market camps. Man is the starting and ending point for economic analysis, and neither is willing to consider the possibility of God.³⁸ North believes that the claims of responsible man and an orderly universe rest on the

sovereignty of God. Because “humanistic economists” leave this sovereign God out of their scheme, they have no “logical, universally acceptable arguments to affirm” the responsibility of man and the orderliness of the universe.³⁹ Recognizing this shortcoming, North does not want to be perceived as one who is simply “baptizing” a disguised version of secular capitalism.⁴⁰ Thus, the challenge for him is to demonstrate how “the Bible establishes as a social norm a system of civil government and personal responsibility which leads to the formation of a free-market economy.”⁴¹ North recognizes that accurate economic calculations cannot take place without the mechanism of a free market. However, he stresses that a permanent, universal morality is necessary for appropriate economic measurements. As a sample scriptural warning, North cites the biblical admonition that a man is not profited by gaining the whole world while losing his own soul.⁴²

North addresses what he believes to be internal inconsistencies in the idea of subjective value theory. He cites Israel Kirzner’s discussion of aggregate capital measurements as presented in *Essays on Capital* (1966). North commends Kirzner for his epistemological consistency in applying the idea of subjective value. For example, Kirzner criticizes those who make the claim that one country has more capital per capita than another because such an aggregate measurement presumes “the economy in its entirety [*sic*] as if it were not a market economy but instead a completely centralized economy over which the observer himself has absolute control and responsibility.”⁴³ North writes that Kirzner “has understood the implications of radical subjectivism in economics far better than the majority of his professional peers.”⁴⁴

North calls attention to the inconsistency of Mises who, in his works (notably *The Anti-Capitalist Mentality* and *Socialism*), commits the same errors that Kirzner criticizes as violations of subjective value theory.⁴⁵ North states that an economist who is truly epistemologically self-consciousness of subjective value theory must “remain as silent as a Zen Buddhist master” when challenged to discuss “per capita wealth, per capita output, or per capita anything,” let alone the success of capitalism.⁴⁶ If subjective value theory is to be taken seriously, even the most basic measurements on which positive economists (let alone normative economists) have become dependent are impossible. North refers to John B. Egger’s comment that “costs and benefits cannot be compared across individuals, even when monetary sums are involved, because of the impossibility of interpersonal utility comparison. This insight is a straightforward application of the defining principle of the Austrian school: radical subjectivism.”⁴⁷

North also quotes extensively from Rothbard's own critique of the economics profession's assumptions regarding social cost and efficiency.⁴⁸ In short, there is great inconsistency in the economist's desire to measure and evaluate cost in the context of change. Rothbard recognizes the limitations of utilitarianism in that it presumes

everyone's ends are really the same, and that therefore, all social conflict is merely technical and pragmatic, and can be resolved once the appropriate means for the common ends are discovered and adopted.... By taking this alleged common universal end as an unquestioned given, the economist allows himself the delusion that he is not at all a moralist but only a strictly value-free and professional technician.⁴⁹

Efficiency, of course, can only be meaningful relative to a given goal. It can therefore, writes Rothbard, "never serve as a utilitarian touchstone for law and public policy."⁵⁰ Rothbard's solution involves an appeal to universal ethics based on natural rights. North commends this critique of rationalism, efficiency, and the possibility of equilibrium but cannot go along with Rothbard's epistemological subjectivism.

North attempts to show that epistemological subjectivism, if taken seriously, cannot provide us with answers to many important questions. This is not to say that North retreats to rival theories of objective value within economics. He sees these as incongruent and impossible without the use of markets. Both are internally unsustainable on their own. North writes, "Neither system of value can survive by itself, and the proponents of each theory borrow liberally from the methodology and conclusions of the other."⁵¹ Practically, North believes that Mises was correct in attempting to claim the objectivity of value in his limited use of aggregate measures. However, North believes that Mises lacked an internally consistent method for evaluating policy. This position is consistent with his insistence on biblical standards. He writes,

We are able to make such estimates [of value] because there really is a single, consistent, comprehensive plan, and a single Planner who has made all economic assessments in terms of an omniscient plan. All capital belongs to the ultimate Planner (Ps. 50:10). The forward-looking plan is God's.... We can make rough estimates of economic and statistical aggregates because there is an integrated plan, and because we are made in the image of the Planner.⁵²

North is not claiming to know the entire “integrated plan.” However, he says, the Christian does have biblical revelation to rely upon. Certain objective statements about what constitutes well-being are possible because the Bible reveals certain consistencies in the nature of man that allow us to make at least some generalizations about human life. Speaking of the success of capitalism, then, is only possible because we are given divine revelation in the Bible that exposes a piece of the plan—a part of which is a free-market system.

Individualism Versus Covenantal Theology

Reconstructionists are critical of the libertarian emphasis on individualism to the exclusion of any consideration of covenantal judgment or blessing. Writing in the tradition of Reformed theology, Rushdoony, North, and other Reconstructionists emphasize God’s dealing with people as groups as well as individuals and point out the divine blessings or curses that come upon a nation as a result of their obedience or disobedience to God.⁵³ Rushdoony says that because humans are merely stewards of what is ultimately God’s property, we must regard ownership as having “reference to more than the individual.” This is intended not as disguised socialism but an assertion that God requires individuals to be mindful of intergenerational responsibilities and obligations to the church when using property. Rushdoony writes that “libertarian economics, which holds strictly to totally private property, leaves property as rootless as does socialist economics: it divorces it from the past and the future.... The biblical doctrine of property is ... covenantal.”⁵⁴

North contends,

To imagine that the judgments of God, in time and on earth, are limited to personal, individualistic penalties, is to misread the Bible. If anything, the reverse is true, in time and on earth. *It is the collective judgment of God, like the collective blessings of God, which is set forth in the Bible.* God does not promise that every good man will prosper economically, or that every evil man will be brought low. What the Bible promises is that covenantally faithful *societies* will prosper in the long run, and that covenantally rebellious ones will be crushed eventually.... The Bible teaches *methodological covenantalism*, not methodological individualism. When we speak of “society,” we have in mind an association of men which is under the law of God, and through which men and institutions are blessed or judged by God. A social covenant *does* exist, whether explicit or implicit in human documents or institutions. Thus, methodological covenantalism conflicts with the anarchism of the methodological individualist.⁵⁵

For his example of methodological individualism, North selects Rothbard's work. He is careful, however, to note that his "methodological covenantalism" is not the same as methodological holism. The covenantal approach does not view society as a personal entity separate from men, according to North. Rather, people suffer judgment according to the decisions of their leaders in their capacity as governors who represent members of society before God. North adds, "there are law-governed arrangements by which God deals with people—not impersonal natural law, or the law of karma ... or evolutionary law, but God ordained law."⁵⁶

As with his critique of radical subjectivism, North calls attention to what he believes to be internal inconsistencies in the use of aggregate valuation. North notes Mises' opposition to "universalism, conceptual realism, holism, collectivism ... [and those who] assume that Providence ... forces men who are constitutionally wicked ... to walk in the ways of righteousness which the Lord ... wants them to walk"⁵⁷ Yet, North argues, Mises himself reverts to an aggregate measurement. Mises writes that economists "have repeatedly emphasized that they deal with socialism and interventionism from the point of view of the generally accepted values of Western civilization." This is the use of an aggregate quite different from the aggregate used in North's methodological covenantalism, but it is nevertheless an aggregate. North observes, "Even a methodological individualist sometimes finds collectives—the 'values of Western civilization'—epistemologically indispensable."⁵⁸

Gary North's Epistemological Critique of Friedman and Mises

In 1976, Gary North produced a notable epistemological criticism of modern economics, both positivist and Austrian.⁵⁹ North attempted to show that modern economics, as a post-Kantian field of scholarship, suffers from a fatal internal contradiction. Specifically, both the *a posteriori* approach of Milton Friedman and the *a priori* approach of Ludwig von Mises "ultimately [appeal] to the irrational and the intuitive in the crucial task of uniting the laws of thought and the world beyond."⁶⁰

Most economists today insist upon the total separation of value judgments and economic science. Kantian rationalism demands this, and Mises is happy to agree:

Liberalism is based upon a purely rational and scientific theory of social cooperation. The policies it recommends are the application of a system of knowledge which does not refer in any way to sentiments, intuitive creeds

for which no logically sufficient proof can be provided, mystical experiences, and the personal awareness of superhuman phenomena. In this sense the often misunderstood and erroneously interpreted atheistic and agnostic can be attributed to it. It would, however, be a serious mistake to conclude that the sciences of human action and the policy derived from their teachings, liberalism, are antitheistic and hostile to religion. They are radically opposed to all systems of theocracy. But they are entirely neutral with regard to religious beliefs, which do not pretend to interfere with the conduct of social, political, and economic affairs.⁶¹

Revealed religion, according to most economists of this century, has no place in economics (except, perhaps, as a subject of study with value-neutral economic tools of analysis). Only the efficient attainment of goals is important—the ends themselves have no relevance in economics. As Lionel Robbins wrote, “The economist is not concerned with ends as such. The ends may be noble or they may be base. They may be ‘material’ or ‘immaterial’—if ends can so be described. But if the attainment of one set of ends involves the sacrifice of others, then it has an economic aspect.”⁶² Additionally, “Economics is neutral as between ends. Economics cannot pronounce on the validity of ultimate judgments of value.”⁶³ Milton Friedman likewise argues that “[p]ositive economics is in principle independent of any particular ethical position or normative judgment.”⁶⁴

In his critique, North points out the “overwhelming problem for epistemology” that this claimed neutrality poses. One important criticism involves the factuality of “raw” data. According to North, the “‘real world’ ... is really the product of our senses, as interpreted by our minds.... The data are already interpreted as we receive them.”⁶⁵ Thus, there can be no data that are untarnished by our presuppositions, ready for us to apply pure, value-free reason. The data are “value-corrupted” by our value-laden minds from the start.

A second criticism involves Friedman’s appeal to the scientist’s “judgment” and “experience” in applying the rules for using economic models. Friedman understands that the model’s rules cannot be complete. Therefore, “there inevitably will remain room for judgment in applying the rules.... The capacity to judge ... is something that cannot be taught; it can be learned but only by experience and exposure to the ‘right’ scientific atmosphere, not by rote.”⁶⁶ Additionally, “The construction of hypotheses is a creative act of inspiration, intuition, and invention; its essence is the vision of something new in familiar material.”⁶⁷ North responds:

Here we have an appeal, ultimately, to some form of intuition as the means of bridging the gap between the model and the perceived historical data (that may or may not be in conformity to the economic world “out there”). There is no strict one-to-one application of the abstract mental model and perceived reality, for then the model would be as complex as reality itself, swallowed up in the immensity of brute factuality. Yet it is believed to be in conformity to the basic outline of the already perceived facts. But how do we know? How can we have such faith in the coherence of our minds, the orderliness of nature, and the intuitive ability of our minds (or whatever it is) to bridge the gap? We have faith—a remarkable quantity of faith. Without it, there could be no economics. So our neutral, rationalistic practitioners simply put this statement of faith in the back of their minds and forget it. Epistemology, at the really crucial points, is not a popular topic among secularists.⁶⁸

For a positivist to understand data, they must be reducible to parts of a logical system, but is there enough structure in the data to form coherent hypotheses—to establish an academic discipline? To find structure, we must have a reference point. For positivists, this is found in man’s ability to make judgment calls. However, if man is the measure, or “the final reference point in predication,”⁶⁹ there can be no science, for facts can be made part of no system of knowledge without an *external* set of priors. “Man himself and the facts of his experience are subject to change,” writes Van Til. “How is he ever to find within himself an *a priori* resting point? He himself is on the move.... If we do not with Calvin presuppose the self-contained God back of the self-conscious act of the knowing mind of man, we are doomed to be lost in an endless and bottomless flux.”⁷⁰ To put it bluntly, without God there can be no science. There can only be intuition and irrationalism.

After indicting the inductive approach to economics, North takes on Mises, who he believes presents “the strongest case for pure deductive rationalism,” as a post-Kantian humanist.⁷¹ Because everything is in endless and bottomless flux, we need a permanent point of reference. That point is (following Kant) the human mind’s set of *a priori* categories of knowledge. “For epistemology,” writes Mises, “the theory of human knowledge, there is certainly something that it cannot help considering as permanent, viz., the logical and praxeological structure of the human mind, on the one hand, and the power of the human senses, on the other hand.”⁷² “All knowledge is conditioned by the categories that precede any data of experience both in time and in logic. The categories are *a priori*; they are the mental equipment of the individual that enables him

to think and—we may add—to act. As all reasoning presupposes the *a priori* categories, it is vain to embark upon attempts to prove or disprove them.”⁷³

A chaotic universe without these permanent points of reference would preclude science: “No thinking and no acting would be possible to man if the universe were chaotic.”⁷⁴ Therefore, Mises writes, “Reasoning is necessarily always deductive.... All human knowledge concerning the universe presupposes and rests upon the cognition of the regularity in the succession and concatenation of observable events. It would be vain to search for a rule if there were no regularity.”⁷⁵ North, however, believes that this deductive approach is subject to the same criticisms as the inductive approach. Mises, like Friedman, must resort to intuition to explain the connection between external events and the human mind.

Mises describes a fundamental Kantian dualism between the human will and external events:

Following in the wake of Kant’s analysis, philosophers raised the question: How can the human mind, by aprioristic thinking, deal with the reality of the external world? As far as praxeology is concerned, the answer is obvious. Both, a priori thinking and reasoning on the one hand and human action on the other, are manifestations of the human mind. The logical structure of the human mind creates the reality of the action. Reason and action are congeneric and homogeneous, two aspects of the same phenomenon.⁷⁶

So, then, how are these “manifestations of the human mind,” the Kantian categories, the “logical structure of the human mind,” linked to the external world? Mises recognizes the difficulty of this problem but cannot close the gap between the human will and the external world:

But as long as we do not know how external (physical and physiological) facts produce in a human “soul” definite thoughts and volitions resulting in concrete acts, we have to face an insurmountable dualism. In the present state of our knowledge, the fundamental statements of positivism and monism are mere metaphysical postulates devoid of any scientific foundation. Reason and experience show us two separate realms: the external world of physical and physiological events and the internal world of thought, feeling, and purposeful action. No bridge connects—as far as we can see today—these two spheres. Identical external events result sometimes in different human responses, and different external events produce sometimes the same human response. We do not know why.⁷⁷

Here lies the core of North's criticism of Mises. Action results from human will, and, according to Mises, "We do not know what will is. We simply call *will* man's faculty to choose between different states of affairs."⁷⁸ Is not this "faculty to choose" the same thing as Friedman's "judgment" or "intuition"?

Moreover, how does Mises know whether his *a priori* mental categories fit the real world? Mises' answer is fundamentally the same as Friedman's: "The question whether or not the real conditions of the external world correspond to these assumptions is to be answered by experience."⁷⁹ North responds:

[We] are back to Friedman's intuitional, experiential link. We are back to testing once again—testing on the assumption that there is the mind-matter link. Mises acts in faith that this mystical link exists, although he denies any mysticism in such an affirmation. "Science is sobriety and clarity of conception, not intoxicated vision."⁸⁰ But what is experience? How does it relate mind and external matter? Is it the same as will? Is it the same as intuition? How sure are we of the correspondence of the two realms? Not very. "But if the answer is affirmative, all the conclusions drawn by logically correct praxeological reasoning strictly describe what is going on in reality."⁸¹

*If the answer is in the affirmative, our a priori mental concepts correspond with data—some data, i.e., the relevant data—of the external world. Here is a huge "if clause" in Mises' epistemology. It is, in fact, a statement of faith, incapable of proof, as he admits, and yet the very intellectual foundation of his a priori rationalism.*⁸²

North believes that Mises is therefore trapped: Facts cannot be interpreted without these *a priori* mental categories, but relating these mental categories to the external world must rely upon faith in human judgment or intuition. Science cannot be value-free, despite Mises' claim that "no standard of value of any kind is contained in the system of economic or sociological theory or in the teachings of liberalism, which constitute the practical application of this theory to action in society."⁸³

Mises cannot avoid value judgments even in his attempts to shut them out of scientific analysis. Even such concepts as "well-being," North shows, cannot be dealt with in a value-free manner. North repeats an argument used in his critique of methodological subjectivism in pointing out that Mises must assume "the universal validity of the goals of Western civilization."⁸⁴ Mises wrote,

Of course, the objections the economists advanced to the plans of the socialists and interventionists carry no weight with those who do not approve of the ends which the peoples of Western civilization take for granted. Those who prefer penury and slavery to material well-being and all that can only

develop where there is material well-being may deem all these objections irrelevant. But the economists have repeatedly emphasized that they deal with socialism and interventionism from the point of view of the generally accepted values of Western civilization.⁸⁵

“Epistemologically,” North concludes, “there is simply no legitimate way open for post-Kantian economists to defend their affirmation of neutrality.” Intuition is subject to (if not identical to) value judgments—how then can anyone claiming human autonomy and discounting revelatory truth also claim neutrality in scientific inquiry? Both Friedman and Mises, however, cling to the idea of a secular, autonomous discipline. North concludes,

Every man requires limits on his thought processes . . . and this means authoritative revelation. . . . He needs biblical law to help him construct social and economic institutions, each with its proper legitimate sphere of authority. Men are not autonomous, and by claiming full autonomy they hurl themselves into the intellectual void of intuition. The faith of the secular economist in the full autonomy of the discipline is a shaky faith indeed.⁸⁶

An Unholy Alliance?

The vast majority of libertarians do not, of course, share the religious faith of Christian Reconstructionists. Many remain deeply concerned that Reconstructionists would seek to criminalize nonaggressive consensual activities such as homosexuality, adultery, or non-Christian religious worship. Some envision crusading zealots intent on ushering in a new Inquisition or reviving Salem-style witch trials, but these are episodes that Reconstructionists are quick to condemn, and it is difficult to see how a moral code of any type could be forced on unwilling masses using the downsized, decentralized state advocated by Reconstructionists. There appears to be no *prima facie* case for disregarding either the Reconstructionist critique or praise of libertarian prescriptions.

Recent history demonstrates that the considered prescription of a free society has advanced best when it is a broadly ecumenical and pluralistic discussion. This means that it not only includes secular *and* religious justifications but also takes into consideration the breadth and depth of religious viewpoints. Although Christian Reconstruction is admittedly a minority Christian movement, its use and critique of libertarian arguments and Austrian economics raise challenges to a purely secular defense of markets, the libertarian emphasis on individualism, and the epistemology of value. These challenges, particularly as they offer insight into the popular perception of classical liberalism,

should be engaged in a scholarly and substantive way. Without conversations of this kind, the advance of liberty can only rely on small and narrow constituencies. Furthermore, even two groups with very different ideas about the nature of a “good society” can certainly find common cause against an enemy that threatens both—the expansive state.

Notes

1. The socialist-utopian postmillennialist (criticized by Murray Rothbard and other libertarians) uses civil government as the primary tool that forces people into moral patterns of behavior, with little recognition of the inherent problems of government force. The Reconstructionist postmillennialist believes that legal changes will follow the gradual spread of Christianity through noncoercive proselytizing and consistent application of Christian principles to the church and family.
2. R. J. Rushdoony (1999, p. 1) described biblical law as supporting “a godly libertarianism which severely limits the powers of all human agencies.”
3. Among 129 references, there was no mention of prominent Reconstructionists Gary North, R. J. Rushdoony, or Greg Bahnsen. One reference was made to David Chilton.
4. See, for example, United Methodist Church (2000a, b), The Episcopal Church (2003).
5. Perhaps, however, “individual liberty” is merely recast as the absence of scarcity—imposed restrictions on action, rather than the absence of legal restrictions on action.
6. See, for example, Stivers (1989), 100.
7. Barron’s sympathetic critique uses the “Dominionist” label to refer to both Christian Reconstruction and the “Kingdom Now” theology of Earl Paulk, pastor of the Cathedral at Chapel Hill Charismatic mega-church in Decatur, Georgia. Incidentally, there was a failed effort in the early 1990s to get the two groups working together. See Alnor, 1994.
8. Undaunted, some Reconstructionists have embraced the label. Andrew Sandlin, who worked on the *Chalcedon Report* in the latter days of Rushdoony’s leadership, uses the term *Dominionist* in explaining what he calls “The Creed of Christian Reconstruction.” <http://www.dabney.com/charles/Sandlin-CR.html> Downloaded July 25, 2005. Sandlin, in an e-mail to the authors, approved citing from the web.

9. Other Dispensationalist critics include Dr. Norman Geisler, Hal Lindsey, and Thomas Ice. See Hunt (1988) for his criticism of Christian Reconstruction, though Barron calls many of his criticisms “inaccurate.” Barron (1992) 20. Reconstructionist Ken Gentry replied to Hunt within a book review printed in the Institute For Christian Economics’ newsletter *Dispensationalism in Transition*, appearing in two parts in the November and December 1989 issues.
10. See, for example, Barker and Godfrey, eds. (1990) and the Reconstructionist response in North, ed. (1991).
11. See, for example, Robbins (2000b).
12. Robbins (2000a).
13. Robbins (1991, 1992a, 1994).
14. Robbins (1992b).
15. In this case Robbins, a member of the OPC, cites Rushdoony’s critical inquisition of the Westminster Confession’s view of biblical law in Rushdoony (1973), 550–51.
16. In terms of membership, the OPC is about one-tenth the size of the PCA.
17. There was a paper on “theonomy” received by the General Assembly of the PCA in 1979: <http://www.pcanet.org/history/pca/2-555.html>. Downloaded July 22, 2005.
18. The Scottish churches in general consider Reconstruction, and Theonomy in particular, to be inconsistent with The Westminster Confession of Faith 19:4.
19. Van Til was at Princeton Seminary until 1929, when he followed his former teacher J. Gresham Machen and other theologically conservative professors to the newly organized Westminster Seminary. Machen was a “Christian libertarian” of the first rank, founder of the Orthodox Presbyterian Church in 1936, and a friend of H. L. Mencken.
20. Incidentally, the first edition of Rothbard’s *Man, Economy, and State* was published by the Volker Fund in 1962. The Volker Fund financed the research and writing of several of Rushdoony’s early books and also played a large part in the education of the prominent Reconstructionist Gary North. The Fund was shut down by the founder in 1965, and the funds eventually went to the Hoover Institution.
21. North and DeMar (1991), x.
22. Interestingly, the aforementioned critic of Christian Reconstruction, John W. Robbins, was also on Paul’s staff and shared a back office with North.
23. P. Andrew Sandlin (1997).

24. Rushdoony (1991), 619, 620, 641, 642. Cf. Rushdoony, "Hard Money and Society in the Bible," in Hans F. Sennholz (1975); Hodge (1986), 195, 196.
25. See, for example, Rushdoony (1991), 446–49.
26. Hodge notes, "Mises is incorrect when he says 'all efforts to find support for the institution of private property generally, and for private ownership in the means of production in particular, in the teachings of Christ are quite vain.'" Mises (1981), 378, in Hodge (1986), 69n.
27. Rushdoony (1991), 181.
28. North (1987b), 22, 23.
29. Ibid., 23.
30. Ibid., 20, 21.
31. See also Gertrude Himmelfarb's *Darwin and the Darwinian Revolution*.
32. Ibid., 21, 22.
33. Hayek, *Constitution of Liberty*, 30, 31.
34. North (1987b), 327, 332.
35. Ibid., 333, 334.
36. Ibid., 335.
37. Ibid., 338.
38. Ibid., 332.
39. Ibid., 326.
40. Ibid., 325.
41. Ibid., 324.
42. Ibid., 339, Mark 8:36.
43. Kirzner (1966), 120, 121, cited in North (1987b), 56.
44. North (1987b), 57.
45. Ibid., 60–63.
46. Ibid., 61.
47. John B. Egger, "Comment: Efficiency Is Not a Substitute for Ethics," in Mario J. Rizzo (1979), cited in North (1990), 1085.
48. Rothbard, "Comment: The Myth of Efficiency," in Mario J. Rizzo (1979), cited in North (1990), 1118–19.

49. Rothbard, "Comment," 91, cited in North (1990), 1122.
50. Rothbard, "Comment," 91–92, cited in North (1990), 1122.
51. *Ibid.*, 64.
52. *Ibid.*, 64, 65.
53. For example, North's Institute for Christian Economics, reprinted Calvin's sermons on Deuteronomy 27 and 28 (a particularly covenantal series of chapters) as *The Covenant Enforced*. See Jordan (1990).
54. Rushdoony (1986), 392, 393.
55. North (1985), 110, 111.
56. *Ibid.*, 111.
57. Mises (1966), cited in North (1985), 112.
58. North (1985), 113.
59. "Economics: From Reason to Intuition," by Gary North. In North (1976), 75–101.
60. *Ibid.*, 99.
61. Mises (1966), 155.
62. Robbins (1935), 25.
63. *Ibid.*, 147.
64. Friedman (1953), 4.
65. North (1976), 83.
66. Friedman (1953), 25.
67. *Ibid.*, 13.
68. North (1976), 83.
69. Van Til (1961), 167.
70. *Ibid.*
71. North (1976), 87.
72. Mises (1962), 1.
73. *Ibid.*, 12.
74. *Ibid.*, 19.
75. *Ibid.*, 21–22.
76. *Ibid.*, 42.
77. Mises (1944).

78. Ibid., 4.
79. Mises (1962), 44.
80. Mises (1960), 46.
81. Mises (1962), 45.
82. North (1976), 91–92.
83. Mises (1960), 40.
84. North (1976), 94.
85. Mises (1969), 33.
86. North (1976), 100.

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