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Christianity and the Supply Side

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Introduction:

Economists have written extensively about the intersection of economics and religion, with at least two journals specifically devoted to the subject, to include both analyzing religious faith using economic tools (e.g., Larry Iannaccone), as well as analyzing economics from a Christian perspective (e.g., P.J. Hill). The “big” debates of socialism vs. capitalism have been addressed from a Christian viewpoint, as well as economic development and the best way to help the poor. Yet much of our current public policy arguments are grounded in macroeconomic debate, between Keynesian stimulus measures and supply side marginal tax cuts, and which has not been addressed by Christian scholarship. The Bible doesn’t get into specifics of stimulus, recession, multipliers, or supply elasticity of labor, yet it does give principles of human behavior due to our being both created in the image of God and yet cursed by the Fall. As will be reviewed below, classical economics focused on problems in production, with Say’s Law the fundamental basis underlying business cycle analysis. Caricatured by Keynes as “supply creates its own demand,” the classical view is flipped on its head in modern macroeconomics, with demand creating supply. For the Keynesian economist, the solution to a depressed economy is to expand consumption. So, is our macroeconomic management problem to be found in ensuring we have sufficient aggregate demand (consumption) or is it to have correct production in aggregate supply? In this paper, I will review how the Bible contrasts production vs. consumption, and will specifically analyze Ephesians 4:28 to show how our nature is increasingly conformed to the image of Christ as we die to our flesh, which seeks to consume without producing.

Classical Economics Focus on Supply

Classical economics began with logical reality that production necessarily precedes consumption. Further, in an exchange economy, production of one good was the necessary condition for one person to have something to exchange for the goods of others. One needed to be able to give in order to get. The French Physiocrats had created what we now call the circular flow, which shows the interdependence between supply and demand. In this model, the aggregate income received by individual workers is necessarily sufficient to purchase the produce of those firms. Yet even this model is

suggestive of how problems might arise. If some part of the circular flow were to be disrupted, it would necessarily create problems for other parts of the income flow. Yet Adam Smith and the early classical economists were not concerned so much with trying to explain business cycles, but rather the fantastic growth just beginning with the onset of the industrial revolution. Smith and the classical economists wanted to deny that money had a role in economic growth at all; in their long run focus, money was just a veil and didn't lead to additional production. Goods ultimately traded for goods, and money was just the essential lubricant to make that happen. Instead, the classical economists came up with real reasons for economic growth, such as labor and capital. It was obvious that economic growth required more production and more supply—but what caused supply to spring forth? For Smith and the classical economists, the source of growth was to abstain from current consumption—to save—and use those savings to invest. This focus on real factors that would increase production—the supply side—was made more explicit in what became known as Say's Law. J.B. Say was somewhat imprecise in his own explanation of the law, in part because he saw it as simply capturing what all the classical economists believed.¹ James Mill could rightfully be considered the co-creator of this law, since he significantly improved its exposition, and Say's later work clearly benefited from Mill's work.² Rather than Keynes' later caricature of Say's Law as being “supply creates its own demand,” a more accurate and fair way to describe it would be to say that production of valued goods and services generates the purchasing power to enable demand of other goods and services.³

Malthus was the leading opponent to Say and Mill, and he questioned the focus on supply, saying that

“A nation must certainly have the power of purchasing all that it produces, but I can easily conceive it not to have the will: and if we were to grow next year half as much corn again as usual, a great part of it would be wasted, and the same would be true if all commodities of all kinds were increased one half.”⁴

For Malthus, the issue is not whether production will necessarily lead to the creation of purchasing power sufficient to consume everything purchased, but whether demand would become *effective* demand—demand that has both the capacity and the will to be exercised. If the problem was a general glut, resolution required either 1) waiting until

the general overproduction was worked off, or 2) creating additional credit to provide the necessary purchasing power to buy all excess goods. Since this was a general glut, no relative price adjustments would be necessary—indeed, as Mr. Keynes would later argue, cutting prices in some areas would just exacerbate the problem.

General Glut or Disproportionality?

Contra Keynes' assertion that belief in Say's Law precluded extended economic dislocations, classical economists used Say's Law to identify the causes of recession as disproportionalities in production—firms producing goods in proportions inconsistent with true consumer demand. For classical economists, the solution to a slump was in production—increase production of the right goods and reduction of goods not in demand. Later classical economists wrestled over the cause of business cycles, certainly not believing that Say's Law precluded them. On one side, economists such as John Stuart Mill clearly understood that there could be a break in the circular flow, specifically due to the potential time between sales of produced goods and subsequent repurchase:

“Although he who sells, really sells only to buy, he needs not buy at the same moment when he sells; and he does not therefore necessarily add to the immediate demand for one commodity when he adds to the supply of another. The buying and selling being now separated, it may very well occur, that there may be at some given time, a very general inclination to sell with as little delay as possible, accompanied with an equally general inclination to defer all purchases as long as possible.”⁵

Mill further understood a financial panic could lead to a credit crisis, but he denied Sismondi's assertion that it was caused by a general overproduction of goods and services. Rather Mill said “its immediate cause is a contraction of credit, and the remedy is, not a diminution of supply, but the restoration of confidence.”⁶ While the effects of a crisis might be felt generally, the cause must be a miscalculation in production. As Mill argues

Nothing is more true than it is produce which constitutes the market for produce, and that every increase of production, if distributed without miscalculation among all kinds of produce in the proportion which private interest would dictate, creates or rather constitutes, its own demand.⁷

Thus, the two competing views are 1) business cycles are the result of a general glut or overproduction of goods and services as in Malthus, Sismondi, or Keynes or 2) a

disproportionality in production (perhaps exacerbated by credit expansion) as in Say, Mill or Hayek. One side focuses on the inability of demand to keep up with supply, while the other side focuses on the ability of supply to meet the specific needs of consumers. In modern political economy, this has led to two different policy prescriptions. The general glut proponents focus on making demand effective, and pursue policies to increase aggregate demand either through government spending or consumption, with a goal of leading to an increase in investment. This view is also more short-run focused. The disproportionality view concentrates on changing the incentives at the individual or firm level to work, save and invest to enable long-run growth.

Say's Law would not deny that "there's many a slip 'twixt the cup and the lip." If production is a problem, this would point to solution, and it would lie in the direction of Boettke's 3 P's and 3 I's: Property, Prices, Profit (loss), and Incentives, Information, and Innovation, or more broadly, it would focus on the institutions that lead to long run success. In the political economy, policy proposals that focus on the supply side principally focus on marginal tax rates, but also include regulation. And while not explicitly brought into discussion (but perhaps should), McCloskey's view of Bourgeois dignity points to a public attitude that is supportive of commerce generally as being a driving force of the industrial revolution. The demand side would focus on the existence of nominal rigidities that would preclude the micro-adjustments which could restore a full-employment equilibrium. The presence of these rigidities leads to a role for both monetary and fiscal stimulus. Both supply and demand side empirical evidence is considered lacking (at least by the other side). The '70s were broadly conceived as a failure of the Keynesian demand model, while critics saw the more extreme claims for supply side economics (tax cuts will pay for themselves) in the '80s as just snake oil. So we are left with the claim of J.B. Say:

"the encouragement of mere consumption is no benefit to commerce; for the difficulty lies in supplying the means, not in stimulating the desire of consumption; and we have seen that production alone, furnishes those means. Thus, it is the aim of good government to stimulate production, of bad government to encourage consumption."

Say's claim is contrasted with the Keynesian view of the importance of the consumption function, the marginal propensity to consume, and the multiplier. So where is the

difficulty? Is it with production or consumption? And can the Bible provide insight into this debate?

Biblical Principles

Demand-side economic management emphasizes the short run, consumption, and the need for government, in the words of Minsky, to “stabilize an unstable economy.” Supply-side economic management emphasizes incentives that guide individual’s and firm’s long-run decisions to work, save and invest. So, as we review the human condition as described in the Bible, which economic view is more consistent? Even a cursory reading of Biblical texts would suggest humanity’s biggest problem is our self-focus, which tends to operate on short-run considerations and often tries to get as much as possible from others while doing as little as possible. For one to accept this, one must only believe that Biblical imperatives are given precisely because absent the imperative, we are likely to succumb to our fleshly desires and behave in an opposite manner from the imperative.

Consider first the short-run, long-run distinction. In Luke 9:23-25 Jesus commands his followers to pick up their cross daily and follow him. Yet he holds out the promise of eternal life for those that faithfully follow. Not only is Jesus saying to reject the short run pleasures in favor of long run rewards, but he is saying that believers should expect to endure significant short-run pain—our own cross—in order to inherit the blessings of eternal life. In the great faith chapter of Hebrews 11, Moses is lauded for refusing to enjoy “the passing pleasures of sin,” since “he was looking to the reward.” In Colossians 3:2 and 2 Corinthians 4:18, we are reminded to set our eyes on things above, things eternal, not on the temporary things of this world which are passing away. While these are spiritual reminders, not talking about economics, it is still of import that our fleshly nature focuses on today, not on tomorrow, and this focus is not limited exclusively to issues of salvation, as will be evidenced by the Proverbs.

In the Proverbs, there are many verses which speak directly to work effort (or lack thereof), but also indirectly to the pursuit of short term pleasures over long-run rewards. In Proverbs 6:6-11, we are told to “Go to the ant.....How long will you lie down, O sluggard? A little sleep, a little slumber.....your poverty will come in like a vagabond.” These passages combine both the supply-side focus on incentives to work, as well as the

short-run/long-run distinction. The sluggard is unwilling to work; he enjoys his sleep too much. There is a long-run warning, however; this short-run pleasure of sleeping comes at a long-run cost of poverty. Proverbs 10:4 similarly identifies a warning: “Poor is he who works with a negligent hand, But the hand of the diligent makes rich.” If you are a slacker and behave negligently toward your current tasks, you will be poor. But hard, disciplined work today will make one rich. Proverbs 16:26 points to the importance of incentives, since “A worker’s appetite works for him, For his hunger urges him on.” Proverbs 30:24-25 offers wisdom from even the lowly ant; “Four things are small on the earth, But they are exceedingly wise: The ants are not a strong people, But they prepare their food in the summer.” Even an ant can show wisdom by having the right time focus. The summer time is a time to be working; there will be reward later for those that produce today. These admonitions in Proverbs suggest our biggest weakness individually is not producing too much, but producing too little.

Perhaps the strongest emphasis within supply-side economics is its focus on incentives. It is not as though those economists who focus on the demand-side would not agree that incentives are important, but that they aren’t important enough to drive meaningful change, at least in the critical short-run. The Bible does not address the issue of how important incentives are to human behavior, at least directly. But indirectly we see strong support for the importance of incentives in human choice. Not that incentives are the ultimate “shaper” of a sovereign God’s plan, but rather that God operates through incentives. Even when people don’t respond to the positive incentives God provides, that is why they will agree they are justly condemned. Consider just a few of the incentives in the Bible. “In the day that you eat of it you will surely die.” “Today I have set before you life and death, the blessing and the curse. So choose life...” Would you rather have “streets of gold” or “a lake of fire?” We see that workers of excellence will stand before kings. And while we only explored a few proverbs, virtually all of Proverbs highlights negative sanctions for ungodly behavior, while emphasizing positive sanctions for godly behavior. In these verses, we see a picture of human nature that is consistent with the emphases of supply-side economics. Yet a detailed exegesis of scripture may yield even better insight.

Exegesis of Ephesians 4:28

Context

Ephesians is one of the Apostle Paul's prison Epistles, written while he was in prison in ~60-62 AD, and thought to be a general epistle that could be circulated around the area of Ephesus. The first 3 chapters contain significant and beautiful doctrine of God's amazing love for us, how he saved us sovereignly in eternity past to reconcile both Jew and gentile into one new family, that we would be saved, not by works, but because of His marvelous grace, and that the church would proclaim the truth of God by how we love in unity. The latter three chapters give Paul's exhortations to all of us—how do we live in light of God's awesome love for us? To drill down into our target verse, we must first review the preceding part of the letter, as we must understand how Ephesians 4:28 fits into the broader point of the author.

In Chapter one, we see that Paul is writing to the “saints in Ephesus”; he is writing to believers. He grounds everything that follows from a foundation of praise, in vv 3-14, which in the Greek is actually one sentence long! There is praise to the Father who elects, praise to the Son who redeems, and praise to the Spirit who seals us in Christ. We praise the Trinitarian God because he chose us before the foundation of the world that we should be holy and blameless (v4). This verse is so powerful—before the foundation of the world, before Adam and Eve had ever fallen, God the Father had predestined us to be saved by Christ. Before the foundation of the world Christ had loved us and in complete unity with the Father had agreed to redeem us by dying for us, that we might be forgiven, and that all things in the universe may be united under Christ. As it says in v10, this is THE grand plan at the fullness of time: That all things might be united under the headship of Christ. Unity among believers will be a major theme the rest of the book, but we mustn't miss the implications of v10—all things are going to be unified under Christ's Lordship—both things in heaven and on earth. We see in vv 20-22 that the Father has placed the son in rule over every power and authority, and all things are under his feet, and we—the church—are His body.

We learn a glorious truth in Ch 2, that despite the terribly bad news that we were dead in our sins, and had no ability to save ourselves, that though we also were “children of wrath”—just like everybody else—v4 says the most Amazing thing, “But God...” In our

helplessness, there is “But God...” In other words, when we had no way to meet our need, there was a God that could. Why would he do that? Because he is “rich in mercy, because of His great love”—he brought us to life when we were dead. The Apostle Paul calls this the “exceeding riches of His grace.” This good news is almost unbelievable, and goes straight into verses many Christians have memorized, Eph 2:8-9, “For by grace you have been saved, through faith, and that not of yourselves, it is the gift of God, not of works, lest anyone should boast.” While v8-9 show us that though we were saved by none of our works, in V10 we see that we are saved unto works, “For we are his workmanship created in Christ Jesus for good works, which God prepared beforehand that we should walk in them.” As the reformers would say, we are saved by faith alone, but faith is never alone.

The theme of unity is more fully defined in the back half of Ch 2, identifying unity between Jews and Gentiles as a major purpose of Christ’s redemptive plan, and continues in Ch 3, as Paul uses the language of mystery to explain this reconciliation of Jew and gentile. Indeed the mystery (a truth heretofore unknown) of the reconciliation of Jew and gentile would be made known by the Church to principalities and powers in the heavenly places! As Lincoln argues, “the church provides the angelic powers a tangible reminder that their authority has been decisively broken and that all things are to be subject to Christ.”⁸ In our day, the practical implementation of this is perhaps not primarily reconciliation of Jews and gentiles, but could be reconciliation across racial and class lines, or cooperation with like-minded churches. Although humanity was originally separated because of our refusal to be united under God (as seen in the Tower of Babel), reconciliation is possible and required under Christ’s headship.

All of this amazing doctrinal truth leads the Apostle Paul to pray for strengthening of the believers, “in our inner man,” and that we would be rooted and grounded in love. Why do we need to be strengthened? In Ch 4:1 Paul says that because of all the amazing things God has done for us, we need “to walk in a manner worthy” of our calling. And we’re going to need God’s strength to do this; walking worthily will be how we love others. We can’t love in our own strength—we must be daily turning to God. And what is the purpose of this walking in a worthy manner? That we might, as in v3, “maintain the unity of the Spirit in the bond of peace.” Unity under Christ’s headship is the central

theme of this book, and when we walk according to God's will, unity is increased. We must have unity because as in v4-5, "there is one body, one spirit, one Lord, one faith, one baptism, one God and Father of all!" We must be unified to give glory to God, even though individually we are diverse. As it says in vv11-13, we are different (some are apostles, some are prophets, some are evangelists, some are teachers) precisely so that in our diversity the body may be built up for works of service, that the body might be edified. And importantly, each part of the body is working, as it "does its share" (v16). This is not just the leaders in the church; the admonition is for the entire body to serve one another such that the whole body builds itself up in love.

Verses 17-24 will give us more theological insight that will ground Paul's ethics found in vv 4:25-5:2) The Apostle Paul tells us that walking in a manner worthy of the Lord—in a way that leads to unity—consists of behavior exactly opposite of the way the world usually operates, which he refers to as the Gentiles. Our fleshly desires, what the Apostle Paul calls the "Old Man," wage war against us to lead to corruption. We need to be putting this man to death; as John Owen has said, we need to be killing sin or sin will be killing us. To kill this old man, or sin in our life, is to behave in the opposite manner. Paul says that the gentiles walk in futility of their mind, with hard hearts that are callous, and they have given themselves over to every kind of sensuality and greedy practice—Christians are not to do this. Rather we must be renewed in our minds; just as in Romans 12:1-2 "Therefore I urge you, 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. And do not be conformed to this world, but be transformed by the renewing of your mind, so that you may prove what the will of God is, that which is good and acceptable and perfect."

Our "presenting our bodies", that is, our behaving and choosing to act in Godly ways, is our spiritual act of worship, and is the way to sanctification as we moment-by-moment choose to follow Christ. When we do this, putting on the new self, v24 says we are created after the likeness of God in true righteousness and holiness. Many theologians believe these characteristics—true righteousness and holiness—are precisely the attributes of being created *Imago Dei* that humanity lost in the Fall.

So, what does this practically look like? Paul’s ethics follow the sound doctrine of chapters 1-3, indeed ethics and doctrine are two sides of the same coin for Christians-- they are inseparable. A comparison of the attributes of the old man compared to the new man is seen in Figure 1 below. The attributes of the old man are fundamentally self-centered, and are such that lead to disunity in the body. Lying, fits of rage, stealing, etc. are all things that do not build up, as we serve our flesh. The new man, however, does precisely the opposite, with behaviors that build up the body and lead to unity: speaking truthfully in love, acting in self-control, working hard to benefit others, using words that edify, kindness and forgiving one another. These behaviors lead to building up the body. They not only sanctify us individually—as we put to death the deeds of the flesh, we are conformed to the image of Christ—but they also sanctify the church corporately, as the church becomes the spotless bride of Christ she was meant to be. And not only that, as 3:10 shows, these behaviors testify to the spiritual forces in the heavenlies that all things are coming under Christ’s lordship.

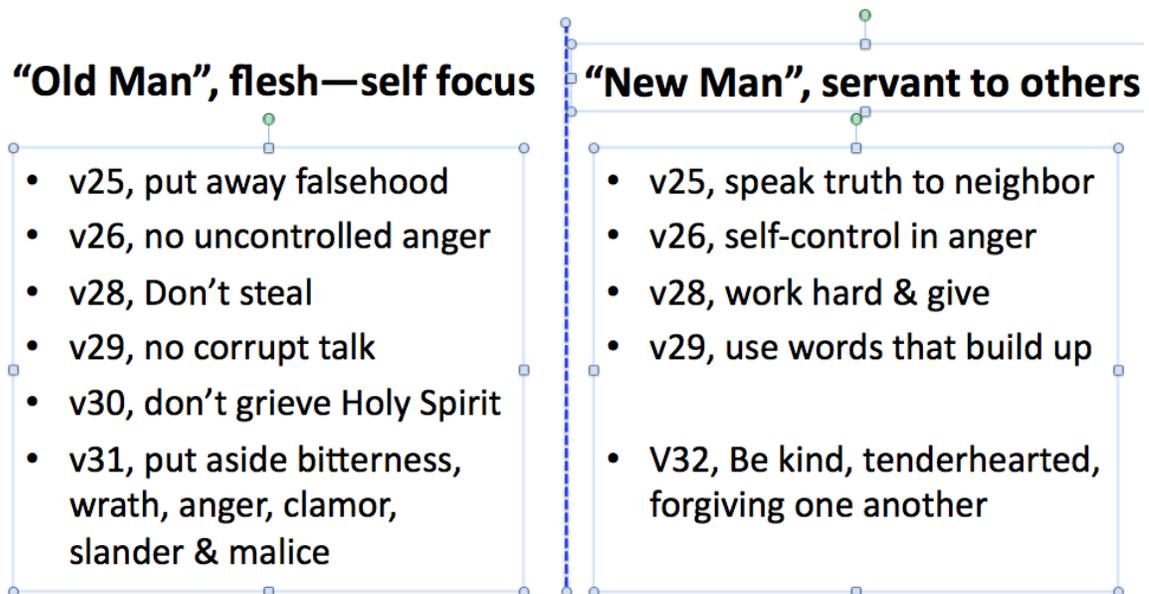


Figure 1: Contrast between “Old Man” and “New Man”

The heart of our exegesis can now begin, with Eph 4:28, “He who steals must steal no longer; but rather he must labor, performing with his own hands what is good, so that he will have something to share with one who has need.”

We’ve seen that the negative behaviors in 4:25-32 are at root selfish; they are ways that the world operates and is comfortable with, and are behaviors that break down unity. In verse 28, the problem identified is stealing. Many readers might think that this is not particularly important for us if we are not shoplifting or robbing a bank, but there are deeper principles at hand here. John Calvin helps us understand the breadth of this issue in a lengthy passage:

“Now when St. Paul speaks here of thefts, he does not refer to such thieves as men punish with whipping or with hanging, but to all kinds of sly and crafty dealing that are used to get other men’s goods by evil practices, such as extortions, deeds of violence, and all other similar things. However much such things are painted over, or they which are most guilty of them are not accused before men, because they are able to cloak their misdoings, yet St. Paul speaks of all of them as robberies. And why? The prophets and apostles did not speak the ordinary kind of language that is used in courts of justice on earth, but had an eye to the judgment seat of God. For what may be excused and even perhaps fully justified before men, shall not fail to be condemned there. For God sees much clearer than mortal creatures.”⁹

In Calvin’s view, there is a breadth of behaviors that seeks to gain advantage for oneself at the expense of others, where one individual can gain by harming another. Calvin is not alone in this understanding; theologian Charles Hodge reaches a similar conclusion.

“This enlargement of the idea of theft, though it transcends the limits assigned the offense in human laws, does not go beyond the law of God. As the command ‘thou shalt not murder’ includes the prohibition of malice, so the command “thou shalt not steal,” forbids every thing that doth or may unjustly hinder our neighbors wealth or outward estate. It is very certain that many things tolerated by the customs of men; many modes of getting the property of others into our own possession practiced even by those professing to be Christians are in the light of the divine law only different forms of theft, and will be revealed as such in the judgment of the last day. The spirit of the apostles command no doubt includes all the forms of dishonesty.”

We work so that we may serve others; that we may have something to share.

Lloyd-Jones says this in describing the theft highlighted in Ephesians:

What is really at the back of stealing? The answer is, of course, selfishness. It is one of the central manifestations of self. The desire to have, and to possess and to hold, that I may build up in various ways the one who steals. That is really at the root of it. But it also needs to be emphasized that stealing is really the desire to have without effort. There is not only the desire that self may possess and have, but there is this additional factor, the desire to have without working for it, without laboring for it, as the Apostle puts it here. So that ultimately the trouble with the thief, the stealer, is that he dislikes work. He is the sort of man who despises honest work and labour. His idea is to have the maximum and do the minimum. He is not particular as to how he does it, how he gets it, as long as he gets it. He exalts possessing it to the supreme position. He eventually comes to the point of thinking that if a thing can be obtained by theft, a man who works like a slave and who sweats and half-kills himself in order to get it in possession, is no better than a fool.¹⁰

Possession should never be in the supreme position. The mere having, the mere gaining, the mere enjoying, is never to be the supreme thing. A society, a country, a world, which begins to despise labor and effort is proclaiming that it is godless. Any failure to realize the dignity of work proclaims the same thing. The whole notion of obtaining the maximum and giving or doing the minimum is utterly irreligious, it is profoundly unchristian; but who can deny that it is something that is affecting every stratum of society in Britain today? ... The problem is not a political but a spiritual one.¹¹

Many cultural critics could say the same about America today. We are part of a self-focused culture, and many of our behaviors—even in the church—are such that we are more concerned with our own interest than with others. If we think this doesn't apply to us, who of us fully obeys the commandment to work as unto the Lord (Col 3:23)? Who does not think of how we can get more money at work, rather than how our work can be more profitable for our earthly masters? Do we try to get “free” goods and services—ones that give us a benefit that we can get others to pay for? Do we vote for politicians who will take from some to give to us? How many of us feel “entitled” to some benefit? Do these behaviors not fit into the broader category of behaviors that are associated with the old man? Do they not have selfish motives underlying?

Behaviors that are putting on the new man, however, are servant based, and consider our work a stewardship of the gifts that God has given us. When we labor, a wearisome toil to produce goods and services that are socially beneficial, we are becoming like Christ, who came not to be served but to serve. The Greek word for labor used here refers to a great toil; almost to the point of exhaustion. Christianity is not opposed to

hard work, indeed the opposite. The Apostle Paul described his labor in making tents this way, Jesus and many of the early disciples worked this hard in proclamation of the gospel. Yet our flesh resists this. Once again from Lloyd-Jones,

“Heathendom and godlessness are always characterized by slackness and indolence and laziness. As this country becomes more and more godless and irreligious it becomes more and more lazy in every stratum of society. It always happens. But on the other hand, every revival of true religion exalts the dignity of work, because it brings a man to see that God has given him his body and all his faculties and he is meant to use them...the moment you see yourself as a Christian, as a man made in the image of God, you want to use your faculties.”¹²

Working hard is good, but it’s not enough; the Apostle Paul is saying we need to make sure that what we do not only produces the resources to support ourselves and others, but that the work of our hands is *beneficial* to others. The Christian needs to pursue a vocation that serves others, and then when they have a surplus, there is a benefit that may be shared with the needy. Indeed, this is part of the reason why the Bible encourages individuals to be producers—producers serve others by their good work, and out of the surplus of their production, are able to serve others that are less fortunate. This is a necessary part of renewing our mind and becoming conformed to the image of Christ; after all He made himself of no reputation, and when we are told to imitate him, we are told in Philippians 2 that we should consider others as more important than ourselves. The Christian is called to cultivate hearts towards those less fortunate, and become like Christ by sharing with them.

These attitudes are not like the world. The world at best works to consume, or as this verse suggests, tries to consume without working. The Christian life, however, is characterized by working hard so that they can serve both those that they directly work for, and then, with the products of their labor, serve those who are less fortunate. We must die to self—by killing the old man—and live according to our true identity in Christ, living to serve others. In our final thought, consider this from D. Lloyd-Jones: in talking about Jesus sacrifice, Lloyd-Jones says:

“What a different realm this is from the realm of stealing! It is the difference between Christianity and paganism. Paganism, godlessness, irreligion, is a sphere where every man is out for himself, where every man is trying to get as much as he can for himself, where every man is trying to get as much as he can for nothing that he may enjoy it. Christianity stands for consideration for others, self-denial, self-

abnegation, self-abasement, seeing the needs of others and giving. “Let this mind be in you which was also in Christ Jesus. Moral teaching stops at saying , Do not touch it! And oh! What a poor thing morality is! But Christianity bids us Labor, working with our own hands that which is good, that we have to give it him that needeth. Giving! Others! Seeing need! Sacrificing! It is the exact antithesis of the other! Because we are new men, let us put off the old man, and let us walk in the footsteps of our blessed Lord and Master, who said, it is more blessed to give than to receive.”¹³

Conclusion

The Bible is not an economics textbook; it doesn't directly address most of what economists' wrestle with. Yet it provides a rich understanding of human nature, and why and how we choose. Given that economics is a social science dealing precisely with how and why we choose, Biblical wisdom is often helpful in guiding our assessment. In the specific area of demand-side vs. supply-side economics, there is no direct linkage to either argument's claims. Nevertheless, the Bible does suggest that a short run focus on consuming today is not consistent with Biblical values. A detailed exegesis of Ephesians 4:28 confirms that it is a fleshly nature that wants to consume today (at others' expense), while becoming conformed to the image of Christ should lead to a focus on producing for others. We must change from a self-focus concerned with consumption that serves ourselves to production that we may serve others. In this regard, the Bible is concerned with many of the issues that supply-side economics emphasizes. At the minimum, we can safely say the Bible is consistent with the principles of supply-side economics. I find no similar consistency with a demand-side focus.

¹ Kates, p. XX

² Kates, p.xx

³ Haymond, NFL ch 17,

⁴ Kates, p. XX

⁵ J.S. Mill, *Essays on Some Unsettled Questions of Political Economy*, p. 70

⁶ J.S. Mill, [*Principles of Political Economy*](#), p. 561.

⁷ J.S. Mill, *Essays on Some Unsettled Questions of Political Economy*, p. 73

⁸ Obrien p 247 (from Lincoln footnote 106)

⁹ Calvin Ephesians Commentary pg 451

¹⁰ D. M. Lloyd-Jones, *Darkness and Light*, baker book house, Grand Rapids, 1982, p. 246.

¹¹ Lloyd-Jones 246-247

¹² Lloyd jones 248-249

¹³ LJ, p. 252.