



A GUIDE TO  
AMERICAN CHRISTIAN  
EDUCATION  
FOR THE HOME AND SCHOOL  
THE PRINCIPLE APPROACH

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is far more practical to have something generally accepted as a means of exchange that is relatively small, light and enduring.

True money is not a piece of paper with no inherent value, but a *commodity* – something of genuine value in the marketplace, whether cattle, coconuts, shells, silver or gold – all of which have been used as money. Note that in Old Testament times, money was silver or gold, a precious metal. This is money based on principle, and it was the only kind of money in which our Founding Fathers had confidence.

Paper money is convenient, but it is honest money only when each paper dollar is redeemable in a specified amount of precious metal. For most of America's history, our central government followed this practice; America was on the "gold standard," and there was never any prolonged inflation.

The fact that our central government was obliged to redeem all paper money on demand for a certain amount of gold served to discipline our government officials not to issue an excessive amount of paper dollars. Since we have abandoned the gold standard, the U.S. Treasury is no longer

obliged to practice genuine self-government in issuing paper money. Our central government has continued to spend more than it collected in taxes, and has made up the difference by creating paper money out of thin air, thus generating inflation.

## BASICS OF BANKING

Many years ago, as barter gave way to money exchanges, people looked for a safe place to store their money, and bankers offered this service for a fee. Gradually, banks began to act not only as warehouses for money but as intermediaries between savers who were willing to lend, and others who wanted to borrow.

As banking has become more complex, there have been increasing opportunities for banks to engage in ethically questionable practices, which Mrs. Greaves explains in her chapter on "Money, Credit and Banking." Certainly the entire field of money and banking presents special challenges for bankers, businessmen and government officials to express the truly honest, dependable qualities of Christian character.

# TEN PILLARS OF CHRISTIAN ECONOMIC WISDOM

America's original prosperity resulted not only from the understanding and practice of basic economic principles, but from freedom from a variety of economic misconceptions, which have become prevalent in modern times. Such misconceptions are exposed and corrected in a statement we call The Ten Pillars of Christian Economic Wisdom, which we have adapted from a remarkably clear summary by Fred G. Clark and Richard S. Rimanozczy of the main ideas in their best-selling little book, "How We Live." (Their original "pillars" are shown in quotes.)

## PILLAR NO. 1

*Everything has a cost that must be paid.*

Everything we need for our spiritual and material welfare comes from God; but we must use our God-given energies to transform God-created natural resources into useful goods.

"Nothing in our material world can come from nowhere or go nowhere, nor can it be free: Everything in our economic life has a source, a destination and a cost that must be paid."

Even in our spiritual life, everything has a cost

that must be paid. Salvation is "free" only because it is a gift to us from Jesus, who paid the price. Spiritually and economically speaking, it is impossible to get something for nothing. A loving God does not give His creation a free lunch. "If any would not work, neither should he eat."

## PILLAR NO. 2

*God is the source of man's ability to produce.*

The ultimate source of all good is God, and He empowers man to produce goods in order to "have dominion" over the earth.

"Government is never a source of goods. Everything produced is produced by the people, and everything that government gives to the people, it must first take from the people."

It is evil for government, when transferring goods from one group to another, not to disclose the source and extent of the sacrifice involved. As government increasingly takes from the most productive in order to give to the least productive, it violates the property rights protected by the Decalogue – "Thou shalt not steal" and "Thou shalt not covet thy neighbor's house." (Ex. 20:15, 19)

### PILLAR NO. 3

*Only earned money is honest; inflation is dishonest.*

The love of money is evil, but money itself is simply a medium of exchange, something generally accepted in exchange for other things that man needs or wants.

"The only valuable money that government has to spend is that money taxed or borrowed out of the people's earnings. When government decides to spend more than it has thus received, that extra unearned money is created out of thin air, through the banks, and, when spent, takes on value only by reducing the value of all money, savings and insurance."

The earned money is "honest," the unearned money "dishonest." It is evil to dilute the value of the people's money except with their knowledge and consent; and a people with Christian character will not give their consent. Inflation existed even before the prophet Amos decried "making the shekel great" (i.e., adulterating silver with base metals); but a Christian people, determined to keep their government from spending more than it collects, could stop inflation once and for all.

### PILLAR NO. 4

*Wages should be determined by voluntary exchange in a free market.*

In a Christian free economy, neither government nor any government-sanctioned institution will be allowed to control what people pay for goods or services. "The laborer is worthy of his wages," but those wages should not be determined arbitrarily by government or a labor union.

Instead, they should be determined by supply and demand through the free market, in which all exchanges are strictly voluntary: wages and prices must be mutually agreeable to buyers and sellers of good and services. If employees are allowed to force wages above the free market level, prices for the goods they produce will become so high that customers will not pay them, and unemployment will result.

"In our modern exchange economy, all payroll and employment come from customers, and the only worthwhile job security is customer security; if there are no customers, there can be no payroll and no jobs."

### PILLAR NO. 5

*Job security depends upon customer security.*

"Customer security can be achieved by the worker only when he cooperates with management

in doing the things that win and hold customers. Job security, therefore, is a partnership problem that can be solved only in a spirit of understanding and cooperation."

False social philosophies, such as Marxism and various forms of socialism, have created needless friction between employers and employees, often by misrepresenting the facts, exaggerating the size of profits and underestimating the percentage of corporate income paid out to employees. (Of the money available for distribution between owners and employees in a typical corporation, 90% goes to employees, 10% to owners.)

Employers and employees should work together in a spirit of brotherhood and trust; both should view customers as "neighbors" to be loved, by providing them with the best possible products and personal service.

### PILLAR NO. 6

*Wages must be related to productivity.*

"Because wages are the principal cost of everything, widespread wage increases without corresponding increases in production, simply increases the cost of everybody's living." It is evil for employees to extort unearned wages which are added to the selling price of goods and becomes a burden on everybody.

It is also evil for government to set "minimum wages," which always create unemployment, especially for the least educated and least experienced workers. God gives His sanction to the free market, under which wages rise as high as possible without creating unemployment.

For those who are jobless because they are unskilled, private charity or private enterprise can provide needed training. "Give a man a fish and he can live for a day, teach him how to fish and he can live a lifetime." "The noblest charity is to prevent a man from accepting charity; the best alms are to enable a man to dispense with alms."

### PILLAR NO. 7

*Increasing output per worker benefits everybody.*

"The greatest good for the greatest number means, in its material sense, the greatest productivity per worker."

The Christian way to increase wages is to increase output per worker—by working harder, smarter or more cooperatively, by introducing better management methods, and by increasing the quantity and quality of tools which the workers use.

It is evil for anyone to impede the production

from which material blessings flow. To maximize production, we must cultivate the character for Christian self-government and respect for private property in the home, church, and school, then maximize human incentives—to work, save, invent and invest—and reward workers according to their productivity. “As you sow, so shall you also reap.”

#### PILLAR NO. 8

*God created the three basic factors of production—natural resources, human energy and tools.*

All productivity is based on three factors: 1) God-created natural resources, whose form, place and condition are changed by the expenditure of 2) God-given human energy (both muscular and mental), with the aid of 3) tools, which are based on ideas God imparts to increase human productivity. (The Clark-Rimanoczy 8th Pillar, with “God-given” added)

From a Christian and practical perspective, each factor is indispensable, and the mental aspect of human energy includes entrepreneurial and managerial skills and the gift of invention. It is evil to infer that there is any substitute for the natural resources which God provides, for conscientiously applied human energy, or for the tools which man must have to fulfill the Dominion Mandate.

#### PILLAR NO. 9

*Tools are created when individuals deny themselves, save and invest.*

“Tools are the only one of these three factors that man can increase without limit, and tools come into being in a free society only when there is a reward for the temporary self-denial that people must practice in order to channel part of their earnings away from purchases that produce immediate comfort and pleasure, and into new tools of production.”

For a nation to build a maximum tool kit, it must be privately owned, and individual men and women must practice Christian self-government

and Christian character, to make possible the needed invention and investment. There must also be proper payment for the use of tools. People who invest in tools (by investing in American industry) not only increase productivity and wages, they create jobs.

Payment for those who *create* the jobs is just as morally worthy as payment for those who *do* the jobs. Even as “the laborer is worthy of his hire,” so the inventor is worthy of his profit. Excessive taxes on profits hurt everyone.

#### PILLAR NO. 10

*High productivity is the effect of a free people in competition with each other.*

“The productivity of the tools – that is, the efficiency of the human energy applied in connection with their use – has always been highest in a competitive society in which the economic decisions are made by millions of progress-seeking individuals, rather than in a state-planned society in which those decisions are made by a handful of all-powerful people, regardless of how well-meaning, unselfish, sincere and intelligent these people may be.”

Jesus said, “You shall know the truth, and the truth shall make you free” – free from sin, and free from the tyranny of a state-planned economy. In a Christian free society, people release more productive energy – not only in using tools but in inventing tools, and in discovering God-given natural resources.

In a Christian free society, men will also have more faith to make high-risk but God-guided investments, and will exhibit more entrepreneurial courage, even as Abraham “by faith when he was called out ... obeyed and went out, not knowing whither he went...” Most of all, in a Christian free economy, men and women will obey Jesus’ command, “Seek ye first the kingdom of God and His righteousness, and all these things shall be added unto you.” This is the ultimate secret of prosperity.