Covenant Theology Versus Dispensationalism
A Matter of Law Versus Grace

By Bob Nyberg

Oh brother, not another dissertation on doctrine!? Many of us have that attitude when it comes to these "high-fa-lootin'" multi-syllable theological words. But we all practice what we believe to be true, therefore doctrine **does** make a difference!

Volumes have been written explaining the teachings of both covenant theology and dispensationalism. This brief paper is not intended to define these systems of interpretation. In fact, it's assumed that the reader already understands the basic tenets of dispensationalism. The purpose of this paper is to demonstrate that covenant theology places the believer under Old Testament law.

A Bit of History

In order to understand the development of covenant theology, we need to take a brief look at church history.

Some covenant theologians would have us believe that their belief system was that of the founding fathers of the early church. They try to make a case that dispensationalism is a mere infant when compared to the grand old scheme of covenant theology. However, the truth of the matter is that systematized covenant theology is actually of recent origin. Cornelius Van Til, a covenant theologian, admits, "the idea of covenant theology has only in modern times been broadly conceived."[1] Louis Berkhof, another covenant theologian, wrote, "In the early Church Fathers the covenant idea is not found at all."[2] Dr. Ryrie points out:

> It [covenant theology] was not the expressed doctrine of the early church. It was never taught by church leaders in the Middle Ages. It was not even mentioned by the primary leaders of the Reformation. Indeed, covenant theology as a system is only a little older than dispensationalism. That does not mean it is not biblical, but it does dispel the notion that covenant theology has been throughout all church history the ancient guardian of the truth that is only recently being sniped at by dispensationalism.

> Covenant theology does not appear in the writings of Luther, Zwingli, Calvin, or Melanchthon… There were no references to covenant theology in any of the great confessions of faith until the Westminster Confession in 1647, and even then covenant theology was not as fully developed as it was later by Reformed theologians. The covenant (or federal) theory arose sporadically and apparently independently late in the sixteenth century.[3]

Yet having said all this, much of the erroneous teachings of covenant theology can find its roots centuries earlier.

For the first three centuries the predominant belief of the early church was that Jesus Christ would literally return to the earth to reign for a thousand years. A number of historians have documented this belief of the early church Fathers. The evidence is indisputable. However, around 170 A.D. certain factors began to undermine the belief of Christ's literal return to establish a physical earthly kingdom.

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[1] Cornelius Van Til, "Covenant Theology," in *Twentieth Century Encyclopedia* (Grand Rapids: Baker, 1955), 1:306

[2] Louis Berkhof, Systematic Theology (second revised and enlarged edition; Grand Rapids: Wm. B. Eerdmans Publishing Company, 1941), 211.

[3] Charles C. Ryrie, *Dispensationalism, Revised and Expanded* (Moody Press: Chicago,1995),185.

The book of Revelation written by the Apostle John ends with the Lord Jesus declaring, "Behold, I come quickly (20:20)". About a hundred years had passed and this promise had yet to be fulfilled. Obviously, something was wrong! Some church leaders in Asia Minor decided to reject the book of Revelation from the canon of scripture. They may have reasoned that this supposed declaration by Jesus must somehow be false. In actuality there were a number of factors that influenced them in their decision to reject Revelation from the canon of scripture:

- A certain group of Christians had taken their premillennial beliefs to an unhealthy extreme. Therefore anyone who believed that Jesus would return to establish a literal kingdom upon earth was viewed with suspicion.

- Many early Christians taught that Christ would soon return and crush the Roman power that was ruling the empire. Some of the leaders of the early church felt that it would be better to sacrifice their premillennial belief rather than face more intense persecution.

- There was also a strong anti-Semitic spirit in the eastern church. The thought of Christ regathering Israel to their land was an abomination to them.

- A new method of Biblical interpretation known as Alexandrian theology greatly changed the view of scripture. Origen (185-254) and other scholars in Alexandria developed a system of Biblical interpretation based on allegory. Origen and his contemporaries were greatly influenced by pagan Greek philosophy. They tried to integrate this into their theology. According to Greek philosophy all physical matter was inherently evil. Therefore the idea of a literal earthy, millennium with physical blessings could only be erroneous. This allegorical or spiritualizing method of interpretation allowed these theologians to read almost any meaning they desired into the Bible. Thus they were able to do away with a literal return of Christ to establish a physical earthly millennial kingdom.

All of these factors set the stage for the rejection of premillennialism. In the early days of his Christian faith Augustine (354-430) was premillennial. However, through time he abandoned the idea of a literal return of Christ to establish a physical kingdom on earth. He used this new allegorical method of interpretation to explain away the literal return of Christ and thus amillennialism was born. In his book, *The City of God*, Augustine taught that the Universal Church **is** the Messianic Kingdom and that the millennium began with Christ's first coming. When the church lost the hope of the imminent return of Christ it plunged headlong into the dark ages. The seeds of false interpretation bore fruit giving rise to Roman Catholicism and a works-based religion. Augustine's amillennial teaching continued to be the standard view of organized Christendom until the 17th century. Occasionally premillennial groups challenged that doctrine through out the dark ages, but they were a small voice compared to the powerful Roman Catholic church.

On October 31, 1517 Martin Luther nailed his Ninety-five Theses on the door of the Castle Church in Wittenberg. One of the primary factors that caused him to break away from the Roman Catholic Church was his understanding of Sola Fide—the doctrine that man is justified by faith alone without works. Through Luther and the reformers, God restored the doctrine of salvation by grace back to His true church. The reformers understood grace in regard to salvation, but for Christian living they fell into the Galatian error of works. They knew that they couldn't keep the law in order to gain salvation, but the law became the rule for living the Christian life. Little did they realize that sanctification is also by grace.

When the reformers broke away from the Roman Catholic church, they carried a lot of baggage with them. Amillennialism was one such fetter that kept the church in bondage to the law.

You might be wondering, "how does a doctrine about the 'end times' affect the teaching of law and grace?" That's a good question. Augustine and his contemporaries faced a dilemma. It had been years since the Lord Jesus had said, "behold I come quickly." By doing away with the literal return of Christ for His church, Augustine no doubt felt that he was helping God out. After all, if there was no literal return of Christ and no literal millennium, then Christ could be reigning over His spiritual kingdom up in heaven. The literal promises given to Israel in the Old Testament could be spiritually applied to the church. However, applying those promises to the church came at a tremendously high cost. Attached to the promises given to Israel was also the Old Testament law. If the church is "spiritual Israel" then she must also keep the law—if not for salvation, then at least for Christian living.

Anytime man decides to help God out, he just makes trouble for himself. A good illustration of this is found in the account of Chronicles. When king David decided to bring the ark of the covenant back to Jerusalem he put it on an ox-drawn cart. But in the law God specifically told Israel that priests were to carry the ark on poles. In 1 Chronicles 13:9-10 we read, "And when they came unto the threshing floor of Chidon, Uzza put forth his hand to hold the ark; for the oxen stumbled. And the anger of the LORD was kindled against Uzza, and he smote him, because he put his hand to the ark: and there he died before God." Uzza paid dearly for trying to help God out. His intentions may have been good, but the results of his efforts were devastating.

Proverbs gives us some very sobering advice about tampering with the Word of God: "Add thou not unto his words, lest he reprove thee, and thou be found a liar [Prov 30:6]." Concerning the book of Revelation, the Lord Jesus Himself said, "For I testify unto every man that heareth the words of the prophecy of this book, If any man shall add unto these things, God shall add unto him the plagues that are written in this book: And if any man shall take away from the words of the book of this prophecy, God shall take away his part out of the book of life, and out of the holy city, and [from] the things which are written in this book [Rev 22:18-19]." In all of these warnings, nothing is said about those who would distort God's Word through allegorical interpretation. Augustine's intentions may have been noble when he tried to help God out. He may have felt that amillennialism could help to explain Jesus' statement in Revelation about His soon return, but the results of Augustine's efforts were devastating.

Throughout the Old Testament many so-called religious leaders opposed God's true prophets. Jeremiah predicted Judah's demise if she kept rebelling against the Lord. The religious elite of that day claimed that he was a traitor. They threw him into a cistern and left him there to die. False prophets opposed Jeremiah's predictions and the result was the Babylonian captivity. These false prophets didn't learn anything from this captivity. They continued to tamper with God's Word which ultimately resulted in 400 years of silence—the Old Testament equivalent of the dark ages.

I'm not equating Augustine with the false prophets of Jeremiah's day. Those false prophets knowingly distorted and opposed God's Word. I don't think that Augustine intentionally tried to distort God's Word. His intentions were noble. Like Uzza, he simply tried to give God a helping hand. Under the dispensation of the law, Uzza lost his life for his noble attempt. But Augustine lived in the dispensation of grace. He did not pay for his noble attempts with loss of life. Never-the-less, the church has paid dearly for Augustine's attempt to steady the solid foundation of Scripture. Just as Israel received her just rewards—400 years of silence—so too the church plunged head-long into the dark ages following Augustine's misguided efforts.

Israel's 400 silent years ended with the bright hope of the birth of Messiah and the promised Messianic Kingdom. But that hope soon dwindled with Israel's rejection of Messiah. The promise of the Messianic Kingdom was put on hold until Israel would be ready to accept her Messiah.

So too, the dark ages ended with the bright hope of the reformation and the rediscovered truth of salvation by grace. But that bright hope was tarnished by the snares of legalism that kept the reformers in bondage. When Martin Luther stepped away from the Roman Catholic church he drug with him the

ball and chain of amillennialism's law-based teachings. The Lutheran, Reformed, and Anglican reformers rejected premillennialism as being merely "Jewish opinions." They continued to maintain the amillennial view which the Roman Catholic church had adopted from Augustine. J.B. Stoney notes that:

> In the Reformation there was, through grace, a great deliverance. The ground-work of Christianity was recovered; namely, justification by faith. But though this was recovered, it was not maintained that the old man was crucified on the Cross, and hence they only refused the exaction of popery, but considered the flesh as still before God. Refusing the exaction was right; but the retention of that on which the exaction could be made, the old man, was and is the weakness of the Reformation.

Miles Stanford also observes that:

> The Lutheran Church is an example of … little birth truth and no growth truth, resulting in legalism, lack of eternal security, and even a charismatic element as well as liberalism. In general, the Reformation-oriented Reformed Churches, with birth truth but little or no growth truth, also reflect this imbalance in their unscriptural application of "the law as the rule of life" for the believer.

Dr. William R. Newell pretty well sums it up when he wrote:

> Almost all the theology of the various 'creeds of Christendom' date back to the Reformation, which went triumphantly to the end of Romans Five, and, so far as theological development or presentation of truth was concerned, stopped there.

The reformation brought back the truth of salvation by grace, but reverted to the law for living the Christian life. This law-grace paradox continued to plague the church until John Nelson Darby and his contemporaries came on the scene in the early 1800's. Darby adopted the literal, historical-grammatical method of Bible interpretation. As Darby studied God's Word in this light, the distinction between Israel and the church seemed to leap off the pages of Scripture before his eyes. He and his contemporaries took the truths of dispensationalism and put them into a more systematized form. God used this to restore to the church not only the imminent, premillennial return of Christ, but also the teachings of grace for living the Christian life.

During the time period between Luther and Darby, covenant theology came into being. Unfortunately, it reflected the "law-based" doctrine of Amillennialism.

Covenant theology was introduced to America primarily through the Puritans. Dispensational theology came to America primarily through Brethren teachers such as Darby and his contemporaries.

Covenant Theology and the Law

Dr. Renald Showers defines covenant theology "as a system… which attempts to develop the Bible's philosophy of history on the basis of two or three covenants. It represents the whole of Scripture and history as being covered by two or three covenants."[4] Dr. Ryrie says:

> Formal definitions of covenant theology are not easy to find even in the writings of covenant theologians. Most of the statements that pass for definitions are in fact descriptions or characterizations of the system. The *article in Bakers Dictionary of Theology* comes close to a definition when it says that covenant theology is distinguished by "the place it gives to the covenants" because it "represents the whole of Scripture as being covered by covenants: (1) the covenant of works, and (2) the covenant of grace."

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[4] Renald E. Showers, *There Really is a Difference! A Comparison of Covenant and Dispensational Theology* (The Friends of Israel Gospel Ministry, Inc: Bellmwr, NJ, 1990)

This is an accurate description of the covenant system. Covenant theology is a system of theology based on the two covenants of works and grace as governing categories for the understanding of the entire Bible.

In covenant theology the covenant of works is said to be an agreement between God and Adam promising life to Adam for perfect obedience and including death as the penalty for failure. But Adam sinned and thus mankind failed to meet the requirements of the covenant of works. Therefore, a second covenant, the covenant of grace, was brought into operation. Louis Berkhof defines it as "that gracious agreement between the offended God and the offending but elect sinner, in which God promises salvation through faith in Christ, and the sinner accepts this believingly, promising a life of faith and obedience."

Some Reformed theologians have introduced a third covenant, the covenant of redemption. It was made in eternity past and became the basis for the covenant of grace, just described, between God and the elect. This covenant of redemption is supposed to be "the agreement between the Father, giving the Son as Head and Redeemer of the elect, and the Son, voluntarily taking the place of those whom the Father had given him." These two or three covenants become the core and bases of operation for covenant theology in its interpretation of the Scriptures.[5]

Without trying to explain all the details of covenant theology I will simply say that it has many problems:

- It begins by assuming two (or three) covenants that are never mentioned in Scripture.

- It tries to unify scripture by saying that Biblical distinctions are merely different phases of the same Covenant of Grace. For example, Berkoff insists that the Mosaic Covenant is essentially the same as the Abrahamic Covenant. Yet, the apostle Paul asserts the distinctiveness of these two covenants in Galatians 3:18. Even a cursory reading of these two covenants reveals that the Abrahamic Covenant was unconditional whereas the Mosaic Covenant had many conditions attached.

- It denies the distinctiveness of the gospel of grace and the gospel of the kingdom.

- It denies the distinction between Israel and the Church.

- It uses a double standard with regard to interpretation of Scripture. Covenant theologians use the historical-grammatical method of interpretation, except for passages concerning future events. When dealing with passages regarding the future of Israel or the kingdom of God they revert to Augustine's allegorical or spiritualizing method of interpretation.

- It places the believer under the law.

This last point, in my opinion, is probably the most devastating blow against Christian doctrine and practice. The Galatian error of law and works has plagued the church from its very beginning. Covenant theology has only served to promote this error.

Previously, we noted that the Westminster Confession and the Puritans were two of the primary tools that advance covenant theology. Let's take a look at what one Puritan theologian had to say with regard to the Westminster Confession. Dr. R.L. Dabney [1820-1898], a well-known Southern Presbyterian

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[5] Charles C. Ryrie, *Dispensationalism, Revised and Expanded* (Moody Press: Chicago,1995),183-184.

[Covenant] theologian, brought out the difference between the Puritan's Westminster Standards, and the grace-stand of Luther and Calvin.

> The cause of this error [the teaching of assurance of salvation] is no doubt that doctrine concerning faith which the first Reformers, as Luther and Calvin, were led to adopt from their opposition to the hateful and tyrannical teachings of Rome. These noble Reformers... asserted that the assurance of hope is of the essence of saving faith. Thus says Calvin in his Commentary on Romans, "My faith is a divine and scriptural belief that God has pardoned me and accepted me."

> Calvin requires everyone to say, in substance, I believe fully that Christ has saved me. Amidst all Calvin's verbal variations, this is always his meaning; for he is consistent in his error... for as sure as truth is in history, Luther and Calvin did fall into this error, which the Reformed churches, led by the Westminster Confession of Faith, have since corrected. (Discussions of Robert L. Dabney, Vol. I, pp. 215-16)

According to Reformed, Puritan, covenant theology the idea of telling believers that they can know for sure they are saved is a grievous error. The covenant view of assurance is diametrically opposed to what Luther and Calvin taught. Can you know for sure that you are saved? Not according to Dabney, and his covenant friends. The end result is a gospel of works with NO assurance of salvation.

Yes, doctrine in one area will surely affect doctrine in all other areas. When you start mingling Israel and the Church you open yourself up to all kinds of errors. On the surface it might not seem like one's view of future events is important, but when you see the trouble it leads to, I'm inclined to think that it behooves us to avoid the "slough of covenant despond!"

Dispensational Theology and the Law

The traditional view of dispensational theology kept Israel separate from the church. It kept the law separate from grace. Yet, in recent years that distinction has become blurred. Small cracks were seen in the dispensational dike about 30 to 40 years ago. Walter C. Kaiser Jr., a non-dispensational theologian, observed:

> Somewhere in the decade of the 1960s, one of the most significant developments in dispensationalism took place. It happened so quietly, but so swiftly, that it is difficult to document, even to this day. This is what changed the whole course of dispensationalism: the view that there were two new covenants, one for Israel and one for the church, was decisively dropped. The implications of such a move are enormous, as the events that followed duly testified.

> The new covenant was made with "the house of Israel and the house of Judah," yet the church was obviously enjoying the benefits of this same covenant. They drank the "blood of the covenant" in the Lord's Supper, and they had "ministers of the new covenant."

> But when Israel and the church were viewed as sharing one and the same covenant, the possibilities for major rapprochement between covenant theology and dispensationalism became immediately obvious. Moreover, that one factor ended the major roadblock in a key hermeneutical rule that dispensationalism had repeatedly stressed in the past: keep Israel's mail separate from the mail that was written for the church. Thus, 2 Chronicles 7:14 ("If my people, which are called by my name, shall humble themselves…"), for example, did not need to be restricted, as had been taught, solely to Israel but could now

be addressed to the whole church. On the same bases, the Sermon on the Mount was released from its future kingdom setting for use by the whole body of Christ now.[6]

Today those cracks have turned into a virtual flood as a new brand of dispensational theology has come on the scene. Progressive dispensationalism (which is really regressive in nature) has continued to blur these Biblical distinctions even more. This new brand of dispensationalism is really a compromise between dispensational and covenant theology.

Within the dispensational ranks we have men like John MacArthur who claims to be a dispensationalist. On the one hand he says:

> Dispensationalism is a fundamentally correct system of understanding God's program through the ages. Its chief element is a recognition that God's plan for Israel is not superseded by or swallowed up in His program for the church… And in that regard, I consider myself a traditional premillennial dispensationalist.[7]

But on the other hand he states:

> There is a tendency, however, for dispensationalists to get carried away with compartmentalizing truth to the point that they can make unbiblical distinctions. An almost obsessive desire to categorize everything neatly has led various dispensationalist interpreters to hard lines not only between the church and Israel, but also between salvation and discipleship, the church and the kingdom, Christ's preaching and the apostolic message, faith and repentance, and the age of law and the age of grace. The age of law/age of grace division in particular has wreaked havoc on dispensationalist theology and contributed to confusion about the doctrine of salvation.[8]

It's no wonder that Dr. MacArthur advocates the works oriented gospel known as Lordship Salvation. He refuses to recognize the difference between the gospel of the kingdom and the gospel of grace. He blurs the distinctions between Israel and the church… between law and grace… between discipleship and salvation. As you read through the writings of Dr. MacArthur, you will see that the majority of authors he quotes are Puritan, Covenant, Reformed theologians. His theology has definitely been tainted by the law. Dr. Newell rightly observed:

> It is a harmful perversion of the truth of God to teach (as did the Puritan theologians) that while we are not to keep the law as a means of salvation, we are under it as a 'rule of life.' Let a Christian only confess, 'I am under the law,' and straightway Moses fastens his yoke upon him, despite all his protests that the law has lost its power. Men have to be delivered from the whole legal principle, from the entire sphere where law reigns, ere true liberty can be found.

There are numerous doctrines and practices that are eroding the foundations of dispensational theology. Men such as Dr. MacArthur and Dr. Charles Stanley would lead us to believe that as Christians we have no sin nature. They tell us that our problem lies in the fact we have residual bad habits that are left over from when we were sinners. By ignoring the sin nature in us, they are merely putting a "Band-Aid" over the real problem. They deal with symptoms and not the cause. They would try to utilize the law in order to keep the flesh under control. They resort to the world's system of "behavior modification" to deal with a spiritual problem. They leave Christians wallowing in Romans chapter 7 with no hope of

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[6] Walter C. Kaiser, Jr. "An Epangelical Response" in *Dispensationalism, Israel and the Church—The Search for Definition* (Grand Rapids: Zondervan, 1992), 369.

[7] John R. MacArthrur, Jr. The Gospel According to Jesus (Grand Rapids: Zondervan), 25.

[8] Ibid.

reaching Romans chapter 8. Dr. MacArthur has followed the slippery path right behind his so-called progressive friends and the myriad of others who would mix law with grace.

One of the most depressing articles that I came across was an exposition of Romans chapter 7 written by A. W. Pink, a covenant theologian. According to him, Romans 7 is the ***normal*** Christian life. We can never hope to gain the victory found in Romans 8 during our lifetime. This is the hope that law-based religion holds out to you and me.

I've attempted to show the pitfalls and dangers of embracing a law tainted doctrine. Yet, even those of us who promote the teachings of grace have a morbid propensity to slip back into the law in our own Christian life. For instance, we receive a material blessing and begin to wonder what we did to ***deserve*** it. Or when something bad happens to us we wonder what evil we did to ***deserve*** it. We naturally think that somehow we must merit God's blessings. Or we think that our failures result in demerit in the eyes of God. This type of mentality comes from the law—not grace.

The way we treat each other also reveals our failure to understand and appropriate grace. Sometimes we feel that we should only give grace where grace is due. But grace that is deserved is not grace—it's merit. It's a good thing that God doesn't just give us grace when we deserve it. We'd be in big trouble if that were true!

When bank-tellers are taught to tell counterfeit money from real they are given genuine currency to handle. By knowing the real, they will be able to see the false. Only a solid understanding of grace will keep us from being ensnared in the tangled web of law-based covenant theology.