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A COMPARATIVE ASSESSMENT OF
LATE 19TH/EARLY 20TH CENTURY AND
CONTEMPORARY CHRISTIAN ECONOMISTS

Volume I

by

Mark Thomas

A DISSERTATION

Submitted to
Michigan State University
in partial fulfillment of the requirements
for the degree of

DOCTOR OF PHILOSOPHY

Department of Economics

1996

UMI Number: 9706569

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ABSTRACT

A COMPARATIVE ASSESSMENT OF LATE 19TH/EARLY 20TH CENTURY AND CONTEMPORARY CHRISTIAN ECONOMISTS

By

Mark Thomas

The purpose of this study is to compare and assess the Christian economic thought of a select sample of eleven Christian economists spanning two time frames: the late 19th/early 20th century and the last quarter of the 20th century. The principal objective is to identify the salient issues Christian economists sought to address, the similarities and differences in positions, and why they considered Christianity to be relevant to the study and understanding of economics. The first group of economists are surveyed in chapter two, the second group in chapter four. Chapter three demonstrates that the thought of the early economists cannot be separated from the issues and considerations peculiar to their time and that Christianity as it relates to economics performs a rhetorical and ameliorative function. Chapter five supports the view that the thought of Christian economists cannot be separated from the world view of which they are apart. Chapter five also provides a discussion of the role of Christian economics as social control. Chapter six identifies four considerations accounting for distinctive differences in Christian economic thought over the two time frames, with additional consideration given to the issue of uniqueness and the decline of Christian economic thought circa 1885. Chapter seven assesses the thought of Christian economists on the basis of monistic and pluralistic approaches to Christian economics, demonstrating that such a distinction involves dissimilar views of economic reality, scarcity, methodology, the putative scientific status of economics, and the post-modernist critique of economic science.

Dedicated to my daughter Andrea.

ACKNOWLEDGMENTS

The successful completion of a doctoral dissertation is a joint endeavor, involving the candidate, committee members, administrative personnel, and others who contribute time, financial assistance, advice, and encouragement. Apart from the cooperative efforts of all such individuals, this dissertation would not have been completed, and I am grateful to all of the people who contributed to this endeavor, irrespective of how seemingly insignificant such help may have appeared at the time.

The mere process of finding a dissertation committee who would be willing to work with me on a topic of this type is significant in its own right, and credit is to be given to the three principle people on my committee - Dr. Warren Samuels, Dr. Jeff Biddle, and Dr. John Tiemstra - for their openness and objectivity in considering the merits of various proposals considered. Their willingness to work with me on a topic generally viewed as outside the purview of mainstream economic science is a testimony to their farsightedness and intellectual objectivity.

Each of the members brought a different perspective and insight to the subject, and each is to be credited with contributing important ideas and guidance during the long and tenuous process from start to completion. I am especially thankful for the insight provided by my chairman Dr. Samuels. His brilliance, scholarship, and expansive knowledge challenged me to go well beyond what my limited background and understanding would have otherwise permitted. While many of the questions and issues he raised often escaped my attention or immediate understanding, it became apparent in due course that such issues were crucial to the research effort and final product. His guidance and objectivity helped me to become much better researcher and economist, and I consider myself fortunate for having an opportunity to work under his tutelage.

Dr. Samuels, Dr. Biddle, and Dr. Tiemstra also demonstrated a great deal of patience, especially during the periods when I was admittedly less productive than what would have been hoped for. Each in his own way encouraged me to continue during difficult and discouraging stages of the process, and each provided invaluable suggestions when I encountered what at the time appeared to be intractable problems. All three committee members are to be thanked for the time spent evaluating proposals, reading draft documents, writing responses to submitted material, attending meetings, and providing insight and suggestions during the final stage when I encountered significant conceptual problems and time constraints. Gratitude is also extended to Dr. Fred Graham, professor emeritus in the religious studies program at Michigan State University, for his willingness to serve as the fourth member on the committee.

I should also like to thank a number of other people at Michigan State University and Geneva College. The graduate committee agreed to give me a second chance, when I failed to complete the program during the early 1980's. The secretaries and administrative personnel at the MSU department of economics were always cordial and helpful as were other graduate students who were always willing to lend a helping hand and advice. I am especially thankful to Dean Rainey who granted numerous time extensions, and demonstrated a great deal of patience as I struggled with various delays and missed deadlines. I am also grateful for the assistance provided by a number of people at Geneva College, including Dr. Steward Lee, and Robert Ryniak who contributed editorial assistance and the college which provided direct and indirect financial support.

Finally, I am grateful for the prayers and encouragement provided by my mother and from friends at Riverview Community Church in East Lansing, MI. Working on a doctoral dissertation can be a daunting and at times lonely endeavor, and as a single person, fellowship and social support is at times as important as the ideas and work which goes into such an endeavor.

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CHAPTER 1

INTRODUCTION

1. Overview

The purpose of this study is to compare and assess the Christian economic thought of a select sample of Christian economists spanning two time frames. "Christian economist," in this context, is defined as anyone who: (1) identifies himself as an economist; (2) identifies himself as a Christian; and (3) makes explicit use of Scripture or some variant of Christian theology in support of his arguments concerning positive economics, normative economics, and/or the proper scope and method of economics.

On the basis of this definition, eleven Christian economists were selected for evaluation. Five from the earlier period - Elisha B. Andrews, Edward Bemis, John Bates Clark, John Commons, and Richard Ely - published during the halcyon era of Christian economics, a period from about 1880 to 1895; Thomas Nixon Carver's contributions to the literature span the first two decades of the Twentieth century. The five economists representing the modern period - Paul Heyne, Arnold McKee, David Richardson, John Tiemstra, and Anthony Waterman. - have written extensively on the subject over the past two decades. The first group of economists are surveyed in chapter two, the second group in chapter four.

Chapter three provides a comparison and assessment of the thought of the first group of economists. The principal conclusion reached in this chapter is that the thought of the six economists writing during the early period cannot be separated from the issues and considerations peculiar to their time. An assessment is also made on the basis of similarities and differences in approach, with the methods of Ely, Commons, and Bemis compared to that of Andrews and Clark and then Carver. The thought of these six economists is also evaluated on the basis of intellectual coherence, efforts to introduce normative considerations into economic analysis, and the rhetorical and ameliorative significance of

Christianity in their thought. Rhetorical significance can be viewed as a nonessential explanatory device or mode of discourse; ameliorative elements would include any considerations deemed essential to their thought.

In chapter five, an effort is made to identify and assess the philosophical tradition or *Weltanschauung* associated with the thought of all eleven economists, demonstrating that such considerations cannot be separated from the ideas, arguments, and methods they employ. Chapter five also provides a discussion on social control and its importance to Christian economic thought. Chapter six identifies four considerations accounting for distinctive differences in Christian economic thought over the two time frames, with additional consideration given to the issue of uniqueness and the decline of Christian economic thought circa 1885. Chapter seven assesses the thought of Christian economists on the basis of monistic and pluralistic approaches to Christian economics, arguing that such a distinction involves a number of considerations including dissimilar views of economic reality, scarcity, methodology, the putative scientific status of economics, and the post-modernist critique of economic science. Chapter seven concludes with an assessment of how the diverse issues and considerations raised in chapters three, five, six, and seven may be systematically addressed through a unified approach.

2. Background

Discourse on the subject of Christianity and economics among professional economists has witnessed something of a resurgence in recent years. Christian economists in the United States, Europe, Australia and elsewhere have written extensively on issues relating to the Christian foundations leading to a just economy. Christian perspectives on stewardship, work, wealth, poverty, materialism, private property, and economic systems have appeared in a number of American professional journals; both Christian and non-Christian economists have critiqued and commended on Catholic and Protestant pronouncements on the economy; the issue of a Christian world view has been raised in the

context of the postmodernist critique of economic science; Christian ontological foundations have been advanced as an alternative to *Homo Economicus*; economic methodology and policy have been assessed on the basis of biblical imperatives and Christian social thought; and the epistemological distinction separating theological and economic knowledge has come under increasing scrutiny. Associations of Christian economists have been established in the United States and Australia, and the number of economists who belong to such associations now number in the hundreds. A proliferation of articles, books, and commentary has attended this growth, and it would not be an exaggeration to suggest that Christian economics¹ can now be viewed as a separate and distinct subfield within the domain of economic science.

The resurgence of Christian economics has become especially evident in the United States and Canada. Working in the shadow of mainstream economics, a small but influential group of conservative neoCalvinist economists including Gary North, Tom Rose, Hebden Taylor and others have gone about the earnest task of unifying economic and theological knowledge as part of a systematic effort to usher in the coming restoration. A second group of neoCalvinist economists - Douglas Vickers, John Tiemstra, George Monisma, and Roland Hoksbergen - have approached their subject from a much different perspective, aiming to reform divinely mandated institutional structures through the Christian principle of stewardship. Evangelical Protestant economists such as David Richardson, Kenneth Elzinga, P.J. Hill, Robin Klay, and James Gwartney have sought to advance the cause of Christ through the neoclassical economic paradigm. Catholic economists such as William Waters, Arnold McKee, and Josef Solterer have written on the issue of social and economic justice and its implication for the modern economy.²

Other North American economists to make notable contributions to the burgeoning field of Christian economics over the past two decades include Jim Halteman who looks to an "Anabaptist Approach to Economic Systems"; the Anglican economist A.M.C. Waterman who has focused on the epistemological boundary separating theological and

economic knowledge; the Catholic economist Charles Wilber who, in addition to writing extensively on institutional reform from a Christian perspective, has served as a consultant to the U.S. Bishops Committee on Catholic Social Thought; the Lutheran economist Paul Heyne who has critiqued the inherent problems associated with Christian views on the economy; John Mason, who, in addition to actively promoting the cause of Christian economics as secretary of the Association of Christian Economists, has conducted extensive research on the biblical foundations of a just economy; and Herman Daly who relies on Christian principles as a basis for his extensive writings on the "steady state economy."³

The motives, methodology, arguments, and objectives advanced by these economists are no less diverse than what one might find within the profession in general. For some, the discussion has gone no further than a critique of recent Christian commentary on the economy; for others, the objective has been to identify the nature and existence of the relationship between Christianity and economics; others have looked upon Christian economics as a medium through which to integrate faith and learning; while still others view a Christian approach to economics as a distinct alternative to mainstream economic science. Finally, many, if not most, of the forenamed economists would argue that Christianity should be a central consideration in human affairs, that the epistemological wall separating "positive" economics and Christian ethical values is of questionable validity, and that the concept of a self-seeking utility or wealth maximizing economic agent responding solely to the hedonic calculus of pleasure and pain is not only at variance with the principles set forth in Scripture, but factually invalid. The distinction between Christian economics and secular economics, is, in the estimation of these economists, not merely one of differing economic policies, but economic science itself.⁴

The criticism is not new. Writing over a century earlier, a smaller but no less vocal group of professionally trained American economists sought to develop an alternative approach to the science, integrating elements of Christianity, social activism, historical analysis, psychology, sociology, and anthropology into a holistic approach to the

economic problem. Raised in devout Protestant families, professional economists such as Richard Ely, John Commons, and John Bates Clark were of the belief that Christianity could and, in fact, did play an important role in economic affairs. The hard-working, sober-minded American farmer, laborer, and businessman was motivated by a multitude of considerations: a desire for wealth being one consideration, a desire to serve God and country being yet another. Humankind not only had the potential to be motivated by higher ideals, they, in fact, were motivated by higher ideas, and insofar as the Christian religion is the foundational basis and motive consideration leading to such ideals, it could not be separated from economic considerations, nor economic science.⁵

Richard Ely, the founder of the American Economic Association and leading spokesperson for the Social Gospel movement, could be viewed as the principal figure among this group. Other notable Christian economists during this period included John Bates Clark, a German trained economist, who would later go on to become one of the most influential economists in American history; John Commons, an understudy of Ely, who would later become one of the principal founders of the American school of institutional economics; Simon Nelson Patten, a prominent University of Pennsylvania economist, who would establish a reputation as a vocal proponent of protectionism; Elisha Benjamin Andrews, who, because of his outspoken advocacy of bimetallism, would lose his position as president of Brown University; Edmund James, a "conservative progressive," who would later become president of the University of Illinois; Edward Bemis, another understudy of Ely, who, in addition to being a Christian social activist, published on the issues of antitrust policy and regulatory reform and would later go on to become deputy commissioner of public utilities for New York City; and Carroll Wright, who, as an active proponent of factory reform legislation, would later head the U.S. Bureau of Labor Statistics.⁶

Despite the notable accomplishments evidenced by these as well other Christian and non-Christian economists sympathetic to their views,⁷ efforts to propound a Christian

approach to economics met with considerable opposition. Vested business interest groups who held considerable sway over university appointments were largely hostile to the progressive policies associated with the late 19th century Social Gospel movement and the Christian economists who lent support to this movement.⁸ Conservative economists such as F.W. Taussig, Arthur Hadley, Simon Newcomb, Charles Dunbar, and James Laughlin expressed little sympathy for the reformist agenda advanced by Ely, Clark, Commons, and others, and viewed efforts to introduce Christian social doctrine or teaching into the science as sentimental and unscientific.⁹ A second but no less notable group of economists consisting of William Graham Sumner, Henry Farnam, Thomas Nixon Carver and others were proponents of a social Darwinist economic and social order, a philosophy which was anything but congruent with the type of ideas propounded by Christian economists such as Ely, Commons, and Andrews.¹⁰

In the end, John Bates Clark and erstwhile allies Henry Carter Adams and Edwin Seligman would agree with conservatives that in the interest of professionalism and scientific integrity, religious and even ethical considerations should be excluded from the professional domain of economic science. By the beginning of the Twentieth century, all of the forenamed Christian economists, save the social Darwinist Carver, would give up on the idea of integrating Christian social thought or teaching with economic science, and apart from the work of a select group of early to mid-Twentieth century Catholic economists such as John Ryan, Bernard Dempsey, Thomas Divine, and selected contributions made by the noted American economist Kenneth Boulding,¹¹ efforts on the part of American economists to link Christianity to economic science would essentially cease until the resurgence which occurred during the 1970's.¹²

3. Issues and Questions to be Addressed

The rise and fall of Christian economics circa 1885 and its resurgence almost a century later raises a number of interesting questions. Who are the principal contributors

during both periods? What were their motives and background, and how did they go about the task of integrating theological and economic knowledge, and to what end? Are the concerns, methods, and objectives evidenced in the thought of these economists peculiar to the time and place in which they live, or do they transcend such considerations? To what extent do we observe intra- and interperiod similarities and differences, and what might account for such differences? How might Christian economists be grouped or classified, and in what sense is such classificatory schema valid or invalid? Other questions pertain to the type of methodology employed and the role this plays with regard to the concerns, ideas, and arguments advanced by various writers; the type of ideas borrowed from both religious and nonreligious sources and how different economists have sought to integrate such ideas into a coherent approach to Christian economics; how Christian economists during both periods responded to the perceived professionalization of economic science; the nature of and mode of discourse during both periods; and the controversies which surround Christian economics both now and then.

Other issues and questions appear to fall within the domain of intellectual and religious history. Dorothy Ross and Mary Furner have written extensively on the origins, development, and professionalization of American social sciences during the 19th and early 20th centuries,¹³ and the contributions they and others have made in this area is apropos to many of the issues and questions raised above. Other historians such as F.L. Broderick, Lafayette Harter, James Leiby, and Benjamin Rader have devoted entire volumes to the life and work of the Christian economists John Ryan, John Commons, Carroll Wright, and Richard Ely.¹⁴ Religious historians Robert Handy, Ronald White, and C.H. Hopkins have written extensively on the contributions of Richard Ely, George Herron, Edward Bellamy, John Commons, and Edward Bemis to the Social Gospel movement.¹⁵ The religious historian Mark Noll has attributed the secularization of Western civilization to a dearth of notable scholarship on the part of Christian intellectuals, a charge which

resonated a century ago and still resonates in the ongoing discussion concerning the nature and purpose of Christian economics.¹⁶

A number of issues and questions relating to religious studies, theology, sociology, and social psychology would also appear to be relevant. What is the role of theology in Christian economics? Do theological distinctions account for or explain distinctions in economic method, application, or policy? Is theology or Christian social thought in any sense essential to the type of methods employed, and, if so, how? How do economists go about the difficult task of integrating theological and economic ideas? Do denominational or parochial considerations play a part in their Christian economic thought? What role does the church, state, and culture play in their thought, and do any of these economists endeavor to tie social ethos, economic systems, or economic behavior to religious belief or religious practice?

Finally, the questions and issues raised in the context of the foregoing discussion cannot be separated from the philosophy of science literature popularized by such writers as Kuhn, Polanyi, Feyerabend, and Wolterstorff.¹⁷ In what way did consensus, political pressure, and external considerations contrive to exclude theological and ethical considerations from economic discourse during the latter part of the 19th century? How did Christian economists respond to this challenge, and why did their incipient effort to integrate Christian social thought and economic science fail? Other issues which might be of interest include recent research on the epistemological boundary separating theological and economic knowledge; the postmodernist critique of economic science and its implication for Christian economics; the philosophical origins of differing perspectives on Christian economics and methodology; the contention that modern economic science implicitly imparts a set of non-Christian values; and related discussion on the nature of values and their relationship to scientism, positivism, ontological foundations, and the positive/normative distinction employed by most mainstream economists. Finally, the issue of dissimilar world views or *Weltanschauung* would appear to be central to the distinctive

approaches and ideas advanced by various Christian economists, and, insofar as this is true, the question naturally arises as to the nature of Christian world views and the role such views might have with regard to Christian economics.

4. Methodological Considerations

The discussion in the following chapters will address these as well as other issues. Before preceding, however, a number of issues need to be clarified. First, it should be evident that the questions and issues raised here traverse a number different disciplines and subdisciplines, and this raises the troubling issue of focus. While it would be convenient to section off parts of the discussion on the basis of well-established epistemological distinctions, such efforts distract from the ideas and arguments set forth by various economists. The very nature of Christian economics lends itself to a multidisciplinary approach, including among other things subject matter pertaining to theology, Christian social thought, and economic science.

In some cases, the scope of the discussion goes well beyond this. Christian economists writing over a century ago frequently integrated concepts now falling within the epistemological domain of sociology, social work, and social psychology. A number of contemporary Christian economists appear to be as much concerned with the issues of epistemology and methodology as they are with economic policy, and the Christian economic thought of many of the economists considered here often overlap into areas which escape easy identification or classification. Delineating the scope of discussion thus presents something of a dilemma: excluding marginal or noneconomic considerations makes for a more manageable and systematic discussion, but does so at the risk of distorting the ideas, methods, and arguments of Christian economists who adopt a more inclusive approach to the subject.

One solution is to identify a select group of issues and arguments and compare Christian economists on the basis of the positions they adopt. It may be possible, for

example, to identify those issues which most economists would recognize as falling within the established confines of economics - ontological foundations, comparative economic systems, wealth, materialism, unemployment, inflation, poverty, and economic growth are issues which immediately come to mind - and then compare and contrast the positions of Christian economists on the basis of intra and inter-period time frames. It may also be possible to group economists on the basis of religious beliefs, denominational affiliation, conservative, moderate, liberal, socialist, or some such designation and compare the position they adopt as a group with other such groupings.¹⁸ Surely there is a place for this type of analysis, and the information it generates may be of interest to those who seek an understanding of where various Christian economists stand with regard to important economic issues.

One would hope, however, that a study of this type would go beyond mere taxonomy, delving into the reasons *why* Christian economists adopt the positions they do, and the topical approach suggested here imposes certain limitations in this regard. Gestalt is a well-recognized concept in the historical, sociological, and economic literature,¹⁹ and it would appear to be no less important in a comparison of Christian economists than in other applications. Where a Christian economist stands on a particular issue cannot be separated from the background, concerns, ideas, foundational presuppositions, theological arguments, methodology, objectives, mode of discourse, schools of thought, and the milieu in which he lives and writes. This would appear to be especially true for the small group of 19th century Christian economists who shared similar backgrounds, beliefs, and a common vision of what America should be. Similar commonality is evident among a number of contemporary Christian economists who look to the concept of justice as a foundational basis for the both the economy and economic science. While a topical comparison may identify where such economists stand on a number of issues, it does not convey the full essence of their thought, and this latter consideration is, of course, one of the principal objectives of this study.

A more exacting and thorough approach is to present the thought of individual Christian economists as stand-alone discussions. Such an approach affords a much more inclusive account of the background, beliefs, concerns, ideas, methods, arguments, and objectives associated with their thought, information which helps to identify and explain conceptually complex issues and methodological distinctions. More importantly, individual surveys provide a vantage through which to assess issues peculiar to a particular time period or intellectual legacy. The natural law tradition associated with Catholic economic thought is one such consideration, the professionalization of economic science is yet another. There are, in fact, many such considerations, and much is lost unless such issues are presented in the context in which they are raised. Finally, the information associated with a survey approach can be viewed as evidence in support of the more general conclusions one would hope to reach in a study of this type.

5. Survey and Procedure

It is, of course, possible to combine both approaches: surveying the thought of different economists as stand-alone discussions, and then comparing, assessing, and grouping their ideas, arguments, methods, etc. in the context of a number of different topics or considerations. This is the approach adopted here. The Christian economic thought of the earlier economists are surveyed in chapter two. Chapter three examines the issues and concerns which motivated these early economists and compares the methods they employed in an effort to address such concerns. Chapter four surveys the thought of the later group of economists. Chapter five evaluates the role that philosophical tradition or *Weltanschauung* may have played with regard to their thought. The role of social control is also evaluated in the context of this discussion. Chapter six identifies four considerations which account for differences in methods and objectives observed over the two periods, concluding with a discussion on uniqueness and the decline of Christian economics circa 1885. Chapter seven distinguishes the economists considered here on the basis of

the monistic/pluralistic identified by Waterman, concluding with a recommendation of how the various considerations raised can be systematically tied to the issue of *Weltanschauung*.

6. Chapter 2: Survey of Late 19th/Early 20th Century Christian Economists

In chapter two, the thought of Andrews, Bemis, Carver, Clark, Commons, and Ely are independently surveyed. Among this group, Ely must be considered the most influential, at least in the context of Christian economics. A prolific writer, Ely is "remembered not so much for contributions to economic theory as for an ability to present complex matters clearly and to popularize the 'new,' historical-ethical approach to economics as against the older, 'classical' laissez-faire views."²⁰ His role as spokesperson and leading proponent of the Social Gospel is more notable than his contributions to economic science, and his efforts to integrate Christian social thought and economic knowledge did more to advance the cause of Christian economics circa 1885 than any other writer under consideration.

The economic and social problem facing 19th century America, Ely argued, required "the united efforts, each in its own sphere, of the church, of the state, and of science."²¹ The American church, he argued, had lost its corporate vision, and this had dire consequences for the American republic and the Christian religion, engendering an individualistic ethos which contributed to the fracturing of the classes, exploitation of the politically and economically disenfranchised poor, and the alienation of the laboring class from Christianity. The state, Ely argued, was also culpable, failing to legislate or enforce even modest measures designed to protect the poor from the ravages of 19th century monopoly capitalism. Finally, the secularization of science was also viewed as a problem, contributing to the humanistic, self-regarding ideals which were gaining ascendancy in American society. The solution, in Ely's estimation, was to instill a new sense of realism into a religion which was becoming increasingly distant from the American people, their

government, and the nation's system of higher learning. This, he argued, could be accomplished through a grassroots efforts to mobilize and instruct the Christian populace, through a concerted effort to "Christianize government," and through a Christian approach to economic science which gives due consideration to such efforts through the systematic introduction of ethics into economic analysis.

Ely's novel approach to economic science is best represented by his initially successful efforts to form a professional association to "combat the [*laissez-faire*] influence of the Sumner crowd." The American Economic Association held its first meeting in 1885, and, at least during its first several years, it reflected the views and objectives of the historical-ethical approach to economics, counting clergymen, economists, sociologists, historians, and academics from other disciplines among its membership. It was Ely's intent to fashion the association in such a way as to promote a "new school" of economics, and while this school would eventually lose out to the emerging neoclassical paradigm, the paradigmatic shift he sought to advance can be viewed as the high-water mark of American Christian economic thought.

Edward Bemis was a part of this effort, and his Christian economics cannot be separated from a more inclusive effort to supplant classical economics. His opposition to a dualistic religious and economic standard, *laissez-faire* economic policies, and the co-opting of the church by commercial interest were characteristic of the type of ideas advanced by social gospelers of his time. His efforts to link this vision of a Christian America to the egalitarian ideals and socioeconomic structure established by early 17th century Puritan settlers is characteristic of the American exceptionalism evidenced in the thought of other American historical economists. Similar to Ely and Commons, he was a social activist, serving as editor to the *Kingdom* and as an active participant in the Social Reform Union. While such efforts could be viewed as an integral part of the historical-ethical approach to Christian economics, they would eventually cost Bemis his position at the newly

established University of Chicago, a consideration which is important to an understanding of Christian economics circa 1885.

John Commons was also an understudy of Ely, and, similar to his mentor, he sought to advance an historical-ethical approach to economics, emphasizing the collective efforts of church, state, and science in the restoration of American society. More than any other economist considered here, Commons placed special emphasis on the redeeming characteristics of the Christian church. The local church would serve as a type of community network providing many of the functions normally associated with modern government. These included education, recreation, economic assistance, social work, and political mobilization. The emphasis here was on building a grassroots communitarian ethos that would bridge the divisive class distinction which separated the Christian brotherhood. Commons urged the "educated man" or Christian middle class to take an abiding interest in the welfare of their less fortunate brethren, imparting the type of knowledge and behavior crucial to lifting people out of poverty. Political mobilization and science would also prove helpful in this regard, but it was the church which held the key to reform, severing the link between social evolutionary behavior and poverty.

Clark also adopted a variation of the historical-ethical approach, one in which *Homo Economicus* is actuated by "higher psychological forces" and resembles the man who God has created."²² The fall awakened in humankind the necessity of supplying his wants, and the realization of this objective laid the foundations for economic and moral development. In an effort to meet its wants, humanity entered into successively more complex economic relationships, and this engendered a corresponding rise in vice and virtue. The latter must offset the former if God's providential will is to be realized, and this is accomplished through both "mere altruism" which accompanies economic differentiation and a higher state of altruism engendered by Christian love. Both types of altruism give rise to an evolving "sense of right," which can be viewed as both the cause and effect of evolving socioeconomic relationships. Clark identified the prevailing "sense of right" as

extreme individualism, a belief system which affords some measure of justice. Individualism, however, was gradually giving way to a more enlightened "sense of right" characterized by an ethos of cooperation and egalitarianism. Clark identified this latter stage of development as "true socialism" as against the humanistic socialist ideal which threatened the well-being and survival of the nation. In the more distant future, civilization will reach a final stage "surpassing in its attractiveness, the socialistic dream," a time when "all hearts will be bound by Christian love"²³

Elisha Benjamin Andrews was neither the activist that Ely was, nor as visionary as Clark. Instead, he sought to reform society through a system of moral laws. Capitalism, he argued, was not the divine incarnation of righteousness here on earth that Bastiat and other conservative Christian economists had made it out to be. *Laissez-faire* guaranteed neither a just system of economic relationships nor a just distribution of wealth and income. The humanistic ideal advanced by socialist writers was no better, failing to address the source of the human economic dilemma; namely, sin. What was needed was a moral standard upon which to constrain the baser impulses of humankind, and this he believed was provided by the Christian religion. While human nature could not be changed through legislation, Andrews, nevertheless, believed that a sense of duty and social responsibility could be imparted through the inculcation of Christian principles. More importantly, he believed that a measure of justice could be attained through the reform of legal and institutional structures. Such changes would establish a Christian moral standard for society, the only sure guarantee of liberty and justice in this world.

Thomas Nixon Carver, the sixth economist considered among this group, adopted a social Darwinist perspective towards Christianity and religion in general. National survival and independence was the key consideration in Carver's thought, and this he believed could only be accomplished through a socioeconomic system which rewarded those who lived the productive life and withheld material sustenance from those who did not. What was needed was an ethos predicated on a higher standard, and Carver found none to be so

compelling as religion. It was religion which accounted for the great dissimilarity in productivity between individuals, peoples, and nations, and an inspection of history clearly revealed this truth.

This was the idea advanced by Carver in his book *A Religion Worth Having*, and it was the basis for his assertion that Christianity more than any other religion or social philosophy promotes the productive life. This assertion is supported by both Scripture and nature, where hard work, thrift, and diligent effort are rewarded through the blessings of this world, and slothful, profligate living end in poverty and perhaps even death. This is as it should be for no other reason than that God willed it to be. God is anything but capricious, and He would not advance principles which stand in opposition to the natural laws of His creation. A proper reading of Scripture reveals this truth, and any objective assessment of religion and the natural order reveals that Christianity is truly the "religion worth having."

7. Chapter 3: An Interpretation of Turn of the Century Christian Economists

Chapter three provides a comparative assessment and interpretation of the material discussed in chapter two. While a number of issues are worthy of consideration, the focus is on evolving socioeconomic relations and the concomitant problems associated with such developments. It is the writer's contention that such developments loomed large in the Christian economic thought of the six economists considered in the previous chapter, and that it was these concerns along with a desire to realize intellectual coherence between their religious and social views which motivated their efforts.

In support of this contention, considerable attention is paid to the more prominent issues of the day, issues which Ely, Clark, Commons, et al. did not hesitate to address in the broader context of their socioreligious thought. While it is true that at least some of these issues - most notably, the problems associated with oligopoly and monopoly - were addressed by these same writers from a purely secular standpoint, such instances, at least

in their earlier thought, were more the exception than the rule. More importantly, the relative emphasis they placed on such issues, the amount of discussion they devoted to their resolution, and the fact that the solutions they proffered had a strong religious content, suggests that problem resolution was a foremost concern in their Christian economic thought.

This conclusion should not be construed, however, as suggesting that problem resolution was the only consideration motivating their thought. There were other considerations as well, including the diminished role of the church in secular society, religious alienation among the laboring classes, the ideological threat posed to Christianity by socialism, the secularization of academic scholarship, and the ascendancy of evolutionary theory as an alternative to the biblical account of creation. In deference to such considerations, a discussion of how Ely, Clark, and Carver sought to infuse a degree of realism and relevance into the realm of Christian theological discourse is provided. Such objectives, however, should be viewed as secondary to the more immediate threat posed to the worldly well-being of their fellow countrymen. It was this latter concern which occupied most of their attention, and there is little doubt that they looked upon the resolution of worldly problems as a chronological priority in the overall scheme of Christian restoration.

Upon providing an overview in the introduction, the discussion turns to Ely's concept of Christian ethics and its operative characteristics in the thought of each of the respective writers. This part of the discussion is relevant insofar as it suggests the propriety of normative evaluation in economic science - a position adopted by all of the writers in the second chapter, but not shared by more conservative economists of the period. Section three addresses the multitude of problems which preoccupied five of the six writers considered in chapter two. The purpose of this section is to convey the overall essence of the concerns shared by this like-minded group of economists and what it was they hoped to accomplish. This discussion is insightful for a number of reasons, not the least of which is the intuitive explanation it affords concerning what might otherwise be considered obscure

and obtuse elements of their thought. Clark's paper on "Spiritual Economics" and Bemis' paper on the social structure of a 17th century Puritan community are two such examples. Second, the discussion establishes a commonality of concern which united these writers in a spirit of cooperation and zeal. Finally, and most importantly, one cannot understand the overall objective of their thought without some understanding of what they sought to accomplish, and it is with respect to this latter objective that the discussion acquires its greatest meaning.

In section four, the discussion turns to the question of how Ely, Clark, and Carver each sought in his own distinctive way to strengthen the cause of Christianity in American society. While such efforts were secondary to the objective of restoring American society, it, nevertheless, represents an interesting and insightful element of their thought. Section five advances an interpretation of the various approaches adopted by the six economists considered in chapter two. The approach adopted by Ely, Commons, and Bemis can be understood as a type of social and political activism; that of Clark and Andrews as a legal/institutional approach involving elements of economic and social policy; and that of Carver as an effort to redirect the motives underlying individual and social behavior. Since the historical and social background motivating Carver's thought is distinctive from that which motivated the other five writers, the discussion of the concerns peculiar to his writing is deferred to this section.

Sections six, seven, and eight address the issue of how Christianity influenced their socioeconomic thought. There are at least four distinct ways in which this occurred. First, the writers discussed in chapter two sought some measure of intellectual coherence - a desire to reconcile the many diverse elements comprising their belief system into one unified theme or social philosophy. Second, by serving as a normative benchmark, Christianity allowed these very same writers to address those issues which would otherwise be considered outside the emerging confines of secular scholarship and to do so in a way which conformed to what they considered to be the true objective and purpose of

economic inquiry. Third, Christian rhetoric served as an explanatory device, conveying and emphasizing elements of the writer's exposition. It also allowed these economists to establish a commonality of purpose with their largely Christian audience. Finally, at least in the case of Clark and Commons, Christian ideas and concepts informed their economic judgment: serving as the basis for underlying behavioral assumptions; establishing and linking moral, behavioral, social and economic relationships; and providing an element of coherence to their system of thought.

8. Chapter 4: Survey of Contemporary Christian Economists

In chapter four, the thought of Heyne, McKee, Richardson, Tiemstra, and Waterman are independently surveyed. Heyne, the first Christian economist considered in this chapter, is notable for his *opposition* to Christian economics. As a history of thought economist with an advanced degree in divinity, Heyne has a professional interest in both historical and contemporary discourse on subjects pertaining to Christian economics. Despite such interest, he sees no role for Christian commentary on the economy or a Christian approach to economics. Official church bodies which pronounce judgment on the nature or characteristics of the economy fail to understand that economic systems are based on rules, and those who seek to Christianize the economic system are in effect "rejecting the economy." Heyne is similarly critical of efforts to introduce explicit Christian values, principles, or ethics into the domain of economic science. While aware of the postmodernist critique of epistemological distinction, Heyne, nevertheless, argues that such efforts diminish rather than enhance the explanatory capabilities of the science. Finally, he argues that even normative Christian objectives are superfluous and counterproductive, undermining both the integrity of the Christian religion and the democratic process in a largely pluralistic society. Christians are, of course, entitled to their views and such views will and should inform their judgment on a variety of issues, but there is little to be gained and much to lose by labeling such views as "Christian."

The Catholic economist, Arnold McKee, adopts a much different view. The Christian economist, he argues, cannot separate his beliefs from his intellectual endeavors, and efforts to do so only contribute to a rapidly disintegrating social and economic order. The "Christian mind" honors the centrality of God in all areas of life including and perhaps, most importantly, intellectual endeavor. For the Christian economist, this implies the recognition of a divinely established set of Christian principles, and from this it is possible to derive a more generalized set of principles pertaining to economic systems and behavior. From the scholastic natural law tradition follows the right to private property. From the Christian principle of inalienable human rights follows minimally established standards of health, education, and nutrition; free enterprise; consumer sovereignty; full employment; the rights of labor to organize and strike; and the right to engage in free trade, intentional investment, and to immigrate.

In addition to these principles, McKee identifies the Christian concept of justice as an operative basis for social and economic policy. Similar to other virtues, justice is divinely manifested in human nature. Unlike the virtue charity, justice is not discretionary, requiring that all individuals and society render everyone his due. The worker has a right to a just wage; the poor have a right to adequate health care, education and material sustenance; the purchaser has a right to buy goods at a just price; and those who live in society have a right to a just share of social and economic provision. In advancing this argument, McKee identifies three different types of justice: just price which he defines as some generally agreed upon markup over cost; distributive justice which is defined as the just sharing of societal burdens and benefits; and social justice which requires that all members of society work to establish a just system of economic and institutional structures. Most members of society have a clearly defined view of what is just and unjust, and, in recognition of this, McKee merges all three concepts of justice with economic theory and other knowledge, moving from a generalized set of principles to intermediate criteria,

and, finally, to implementation. It is at this latter stage that we most clearly observe the working of justice in economic affairs.

David Richardson believes that the Christian economist is in an ideal position to serve Christ through his profession, but only if he demonstrates a level of professionalism which will gain the respect and admiration of secular economists. By doing economics well - and merely economics well, the Christian economist is a "sign" to nonbelievers. The Christian economist also brings to the profession "substance" through a unique appreciation of familial considerations, community, the environment, work, the role of sin and redemption and other considerations emphasized by the Gospel and illuminated by grace. Christian economists also have an opportunity to do economics "stylishly," using methods which are well-suited to the Christian's relational temperament. Sign, substance, and style and the rewards that they bring will only come, however, if Christian economists focus their efforts within the well-established neoclassical paradigm. While there is much about neoclassical economics deserving of censure, there is also much which merits affirmation and support. Recent developments within the science are much in tune with Christian sensibilities, and who better than the Christian economist to use and improve upon these new ideas in the service of Christ.

The neoCalvinist economist, John Tiemstra, takes issue with this view. Neoclassical economics falters in two important ways: first, it is founded on utilitarianism, a non-Christian philosophical foundation which ignores the role of sin in economic decisions while rationalizing and even engendering the immoderate, egotistical, materialistic behavior condemned in Scripture; and second, the rationalistic, positivist methodological constructs it employs selectively rules out considerations the Christian economist may find of interest while implicitly introducing a misleading set of values into economic analysis. The postmodernist critique of foundational approaches to science has brought such pretensions to a well-deserved and timely end, and while an approach founded exclusively on

Scripture would be viewed as being equally unacceptable, the newfound change in perspective opens up the possibility of an explicitly Christian approach to economic science.

As an alternative to the neoclassical paradigm, Tiemstra looks to an institutional approach through which to advance God's will here on earth. All of creation, not simply humankind, is invested with sin, and God's commandment to take dominion over the earth applies no less to institutional structures than other elements of creation. The motive principle for such reform is stewardship, which consists of the Godly imparted principles: work, wealth, and justice. Work reflects back to God the creative endowments bestowed upon humankind, and efforts should be made to instill this sense of purpose through the family, the firm, organized labor, and government. Wealth is given to humankind so as to honor the dominion covenant, but with wealth comes a responsibility to use the resources so granted in a judicious and productive way. Finally, justice should be viewed as a balance between wealth and work, assuring that the interests of the politically or economically disenfranchised are provided for by those in a position of power and leadership

On the basis of such principles, Tiemstra advances a blueprint for institutional reform. A more judicious balance needs to be struck between work and mindless materialism. Wages should be established on the basis of need and not status or productivity. The family should be viewed as the focus of economic decision making, and due consideration should be given to the role of the family with regard to the inculcation of values, as a unit of savings and investment, and as a source of virtue, values, behavioral ethics, and good stewardship. The firm should act on the behalf of the consumer, the worker, the worker's family, the community, and the environment; unions should eschew practices which may prove harmful to its members, the firm, and the economy; the investor should seek a fair return on investment, holding management and government accountable for self-aggrandizing or exploitative practices. Government should advance microeconomic policies which promote stewardship of the environment; protect labor from exploitative practices;

protect the community from the ravishes of plant closings, takeovers, etc.; and protect the consumer from unscrupulous practices. Macroeconomics policies should not place the burden of stabilization on the marginally employed and the lowest paid sector of the labor force, and efforts should be made to promote a just distribution of income and assure that all Americans are provided with proper health care, nutrition, and education. Finally, such behavior should be accompanied by institutional and structural reform, and should not be viewed as merely a consequence of individualistic utility maximizing behavior, but as a divinely imparted mandate to honor God in all areas of human life.

Anthony Waterman, the final Christian economist considered in this study, believes that Christian social thought and teachings has an important role to play with regard to economic policy, but is cautious concerning the relationship between Christianity and the scientific core of economic science. The position Waterman appears to have adopted is that the self-regarding economic agent is an accurate rendition of economic behavior and that this consideration together with scarcity engenders a well-defined and predictable set of economic relationships. The modern market economy is, in short, a natural phenomenon, and the relationships which describe this economy are no more influenced by religious considerations than are the relationships which describe the natural sciences. This does not suggest that the market economy is without theological overtones: more than any other economic system it ameliorates the effect of scarcity, a form of evil. Nor is it true that a market economy is impervious to an egalitarian distribution of wealth and income. What it does do, however, is to separate the former consideration, the naturalness of the economic order, from the latter consideration, the endowment of wealth, income, talent, property, etc. Christianity has much say with regard to the latter issue, but nothing to say with regard to the former.

The positive/normative distinction, Waterman informs us, was first identified by the early 19th century Anglican economist Richard Whately, and modern economics has more or less followed this path of reasoning over the past century and a half. While

economists have generally accepted this view, a number have not. The question, therefore, arises as to whether or not the positive core of economic science is truly separable from theological considerations. Waterman identifies an affirmation of this view as a pluralistic perspective of economic science, a denial of this view as a monistic perspective of the science, and on the basis of this distinction, he has developed a taxonomy of Christian economists. The question remains, however, as to whether economic knowledge is truly separable from theological knowledge, and in deference to this issue he has questioned the scientific neutrality of property rights, has argued in behalf of a neoclassical view of income and wealth redistribution, and, more recently, has edited and contributed to the book *Economics and Religion: Are They Distinct?*, a collection of essays and assessments which examine the epistemological distinction separating economic and theological knowledge.

While maintaining a noncommittal position in the interest of scientific integrity, Waterman, nevertheless, appears to believe that economic science truly is neutral and value-free or, at the very least, that the positive/normative distinction performs a valuable service in terms of defining the proper role of church and science. In any event, he clearly takes issue with the organic view of the economy advanced by Pope Leo XIII in *Rerum Novarum* and more recent renditions of Catholic social thought. As an alternative, he advances the habitat view of the economy popularized by the Scottish enlightenment. Each individual pursuing his own self-interest, according to this latter view, collectively accomplishes the most good for the most people. This view of the economy is not anti-Christian as evidenced by the thought of the early 19th century Anglican school of Christian economics, nor is it evil or wrong as evidenced by two hundred years of almost continuous economic growth. Finally, the Church need not fear the relinquishment of authority or influence, since the normative side of economic science provides ample opportunity to advance Christian economic policy without being mired in futile questions concerning the morality and propriety of economic laws and relationships.

9. Chapter 5: Philosophical Tradition and Social Control

It has become evident that the economists considered in this study approach their subject from a much different perspective. Some, such as Carver and Heyne, place a great deal of emphasis on scarcity and personal choice as the decisive consideration in social and economic affairs; others, such as Ely and Tiemstra, place a greater emphasis on social and institutional factors. Both views originate from essentially dissimilar economic and philosophical perspectives, and it is this perspective which explains in large measure why these economists hold to different views on a number of key issues. Without intending to demean the Christian beliefs of the writers considered here, it appears as if their Christian perspective on economic issues is filtered through the *Weltanschauung* of which they are a part, and if one desires to understand the former, one must also endeavor to understand the latter. Part of the objective of this chapter is to identify this lineage and assess its importance to Christian economic thought.

From chapter two, it is evident that the Christian economic thought of Ely, Commons, Clark, Bemis, and Andrews is inextricably linked to a number of considerations including a social ethos which emphasized cooperation, civic duty, community, humility, hard work, personal and social responsibility, a devotion to God and country, and a corporate view of Christianity. The thought of these writers is also linked to an historically peculiar mode of Christian social activism which availed itself at the time. This included a vast network of Christian voluntary associations, the Social Gospel movement, and a large number of reform-minded Christian churches. The Christian economic thought of these late 19th century economists reflect such considerations, combining elements of church, state, and science in an effort to effect a fundamental transformation in society.

The thought of Thomas Nixon Carver similarly reflects the social and intellectual milieu of his time. Human existence, he argued, was a struggle for survival. This was clearly evident in history, in the nature of evolutionary development, and in the social and religious beliefs and customs of various societies and cultures, and it was to these three

considerations that he looked to as a philosophical basis for his Christian economic thought. The social Darwinist thought of Spencer, Sumner, Youmans, and others provided such a basis as did the individualistic, yeoman type ethos adopted by various American social subgroupings. Religion and its influence on social ethos and behavior provided yet a third basis. Together these considerations lend a peculiarly unique late 19th, early 20th century American perspective to Carver's thought, a philosophical tradition that gives meaning and purpose to the ideas that he sought to advance.

A similar case can be made for tying the economic thought to the philosophical tradition of contemporary Christian economists. In the case of Tiemstra, Waterman, and McKee, the relationship is relatively straightforward and easy to establish. Tiemstra's thought reflects the emphasis placed on Godly-ordained institutions as first suggested by Kuyper and Dooyeweerd. His rejection of modernist methodological constructs is buttressed by the writings of Wolterstorff as is his unabashedly normative view of what society should be and what the Christian economist should do to achieve this end. Waterman's thought reflects and, in many ways, builds upon the thought of a number of early 19th Anglican writers, including Malthus, Sumner, Whately, and others. McKee's thought reflects the ideas and views associated with century old Catholic social thought. In all such cases, the philosophical tradition underlying the writer's thought is, at least in the context of this study, unique to that writer, and is, in this sense, relevant to the dissimilar views they adopt with regard to Christian economics and the economy.

Richardson's Christian economic thought is similarly reflective of a particular philosophical tradition, one which corresponds to the foundational premises underlying the neoclassical economic paradigm. While acknowledging that nonChristian foundational principles infuse the theoretical structure and applications associated with neoclassical economics, Richardson, nevertheless, argues that the paradigm can be employed in the service of Christ. Recent developments within the science lends credence to this view, providing as they do greater realism, a more Christian-like view of economic man, a more

expansive set of objectives, and operational techniques which are highly serviceable from a Christian perspective. It is evident, however, that the science is premised on certain foundational principles - utilitarianism, positivism, natural law, rationality, etc. - and whether or not such foundations reflect "what is" as argued by orthodox economists or "what ought to be" as suggested by heterodox economists, they comprise a major element of what may be viewed as part of the philosophical tradition associated with his thought. The implications of such foundations are numerous, and any discussion on Christian economics would not be complete without a discussion of this issue.

Heyne's thought, on the other hand, is more closely linked to a view of the economy than to a particular methodological framework. The nature of a modern market economy, he argues, necessitates certain types of economic relations and these in turn imply a particular mode of economic behavior. Such a view is, of course, not unique to Heyne, reflecting the views set forth by other orthodox Christian economists considered in this study. What distinguishes Heyne's thought, however, is the libertarian positions he implicitly adopts in his critiques of various Christian views on the economy. These include individualism, economic and political freedom, market oriented solutions to social and economic problems, and a minimalist view of government and religious influence in society. While one can only speculate as to the origin of such views, elements correspond to the *laissez-faire* ideals set forth by Adam Smith and the individualistic, libertarian arguments advanced by Friedrich Hayek.

The second part of chapter five addresses the issue of social control. It has become evident that the economists considered in this study desire to impart a social and economic vision of society. Christianity may be inextricably linked to this vision or it may be ancillary or nonessential. In either case, the vision these economists seek to promote invariably involves some measure of social control. Social control, in this context, might include the dissemination of and control over economic ideas; control over the beliefs, customs, ideas, and modes of behavior of society at large; efforts to marshal the political and economic

power of the church, government, or Christian populace; or efforts to insulate or protect a particular class, social subgroup, or religious group or church from the loss of political or social influence or economic power. Social control may be active as in the sense of promoting a change in prevailing beliefs, modes of behavior, practices or institutional structures, or passive in the sense of codifying or lending support to prevailing beliefs, behavior, and structures or denying material sustenance to individuals who fail to conform to an established set of social, religious, or economic standards. "Those who do not work do not eat" would be one such example.

Social control as defined here need not be viewed as a conscious effort to reshape or influence society, nor does it say anything concerning the motives or beliefs of those economists who may be thought of as engaging in such practices. It merely suggest that Christian economics cannot be separated from parochial or visionary views of the way society should be, that such views will often conflict, and that, in the absence of universal support, such views imply some measure of coercion or social control. The economic reorganization sought by Clark and Commons could, from this perspective, be looked upon as a type of social control as would the social Darwinist philosophy advanced by Carver. The Christian world view advanced by McKee, economic redemption advanced by Tiemstra and Ely, the natural rate of unemployment advanced by Waterman, and the concept of economic "rules" advanced by Heyne could also be viewed as social control. Even the professionalized standards suggested by Richardson or the question of whether or not positive economics is scientific and autonomous examined by Waterman implies some measure of social control, insofar as control over economic science implies some measure of control over society.

The objective here, however, is not to identify how Christian economists endeavor to influence or shape society, but to identify the way in which social control is closely tied to the foregoing issue of philosophical tradition. In an effort to clarify this issue, Ely and Carver's interpretation of the biblical "parable of the talents" is contrasted. In Carver's

thought, the parable provides a strong and compelling argument in favor of a distinctive system of rewards based on human accomplishment and economic behavior. He who is successful in this life is worthy of the blessing bestowed upon him; he who is not is just as equally deserving of whatever fate may befall him. Ely, on the other hand, interprets the same passage in a much different light, looking upon the "Christian doctrine of talents" as a clarion call for all men to develop their God-given attributes. To accomplish this all men must be afforded an opportunity to excel in whatever way God intended, and society has a responsibility to assure this outcome. Each interpretation lends itself to a much different Christian social ethos, to different forms of social and economic organization, and to different economic policies, and it is with regard to these three latter considerations that one observes the role social control as it relates to the philosophical traditions associated with these two economists.

10. Chapter 6: Then and Now

From the foregoing discussion one would expect to observe notable differences between the Christian economists writing around the turn of the last century and their contemporary counterparts. Even a cursory comparison of chapters two and four reveals this to be the case, and the question naturally arises as to how such differences may be identified and explained in the context of their relative importance to Christian economics. One approach is to group and compare issues on the basis of similar or distinctive methodology, ideas, arguments, policies, objectives, or theological views, and then assess what importance, if any, such distinctions may have in the context of the two time frames under consideration.

Such an approach, however, presents formidable problems. As a group, the Christian economists writing more than a century ago faced a much different set of social, economic, and religious problems; lived and worked in a much different socioeconomic and socioreligious milieu; had access to a much more limited body of economic knowledge;

and wielded a much greater influence on economic science, religious practices, and American society than their late 20th century counterparts. Isolating such distinctions from considerations which may transcend temporal considerations such as ontological foundations, the naturalness of a market economy or private property, or the epistemological demarcation distinguishing economic and theological knowledge is inherently subjective. Complicating matters further is the veritable plethora of issues and considerations which might warrant attention. Finally, and, most importantly, there is no clear basis for isolating or attaching relative importance to the qualitative determinants which would presumably account for such differences. All of this gives rise to a taxonomic labyrinth of subjective groupings and comparisons of questionable explanatory significance.

A more promising approach is to identify what may be viewed as a few key developments which distinguish the scientific, social, economic, and religious milieu associated with each group of economists, and then assess how such developments may account for apparent dissimilarities between economists writing over both periods. This is the method adopted here, and while some disagreement may arise as to what does and does not constitute a key development, this latter approach avoids the potential problems associated with the taxonomic approach suggested above. The four developments identified include: (1) the evolving character of American religion; (2) distinctive economic, social, and political circumstances; (3) the emergence of the neoclassical economic paradigm; and (4) the marginalization of Christian economics.

A brief discussion on each of these four developments and its significance to Christian economics then and now is provided in the first part of chapter six. The second part of this chapter addresses the issue of the uniqueness of Christian normative objectives. Whether or not Christian normative objectives are, in fact, unique is, of course, an issue which goes well beyond the confines of the present discussion. It is evident, however, that the approach adopted by the early group of historical-ethical economists relies on measures unique to the 19th century American experience, and in this sense the

thought of the earlier economists can be viewed as being more unique than that of the contemporary group. Chapter six concludes with a brief discussion of the decline of Christian economics circa 1885, suggesting that the diminution of American exceptionalism undermined the arguments, methods, and establishment of the peculiarly Christian historical-ethical approach Ely, Clark, Commons, et al. sought to advance.

11. Chapter 7: Monistic and Pluralistic Views of Christian Economics

The seventh and final chapter assesses the thought of the eleven Christian economists considered in this study on the basis of the monistic/pluralistic distinction identified by Anthony Waterman. Christian economists who hold to a monistic view of Christian economics believe that all knowledge, including economic knowledge, is subsumed under theological knowledge, or, alternatively, that the very belief that economic and theological knowledge occupy separate domains is premised on an erroneous and fundamentally anti-Christian *Weltanschauung*. The pluralistic view is premised on the belief that theological and economic knowledge occupy separate and distinct epistemological domains and that the epistemology of economics - knowledge acquired through the collection, assessment, and systematic interpretation of independently verifiable observation - is fundamentally distinct from the epistemology of theology - knowledge acquired through Scriptural revelation and natural theology. The positive core of economic science, according to the pluralistic view is autonomous, and efforts to introduce knowledge which is not verifiable to others, as is the case with theological knowledge, introduces subjective valuation into the scientific method, corrupting the process by which fact and truth is systematically distinguished from extraneous data and opinion. Opinions and preferences do, of course, matter, but such knowledge lies within the realm of "what ought to be" and not "what is," and theological knowledge is relevant only with regard to the former and not the latter.

The monistic/pluralistic distinction identified here lies within the province of epistemology or the method of knowing, and it is not the intention here to evaluate the relative

merits of either view. It is, nevertheless, evident that the approach adopted by the eleven Christian economists considered in this study can be distinguished on this basis, and that this distinction more than any other accounts for the dissimilar views, beliefs, ideas, arguments, methodology, approach, and objectives encountered in this study. The evidence in support of this assertion is set forth in five separate sections dealing with differing views of economic reality, scarcity, methodology, the putative scientific status of economics, and the conclusion which contains a discussion of the postmodernist critique of scientific foundationalism.

The conclusion reached is that the monistic/pluralistic distinction identified by Waterman should be understood in the context of a much more encompassing set of distinctions. These include:

- 1) social philosophy - natural law view of economic reality **or** organic view of social and economic reality;
- 2) ontological nature of economic man - self-regarding and rational **or** malleable to religious, social and historical influence;
- 3) economic systems - natural and immutable **or** historically and purposefully determined;
- 4) scarcity - an operative principle dictating and directing human economic activity and endeavor **or** a situationally specific constraint which is only operative in the presence of or as a result of individual and social sin;
- 5) methodology - economic science as a stand-alone tightly defined body of putative economic laws and truths, **or** economic science as system of integrated knowledge which endeavors to link or account for a variety of diverse considerations including legal and institutional arrangements; historical, sociological, psychological and anthropological considerations; the divine role of justice, stewardship and work in society; the institutional and divine function of state, church, and family; and the role of Christian ethics in economic science and society;
- 6) faith/culture/science - the belief that the causal relationship between economic science, the economy, social ethos, and Christianity is attenuated at best and has little implication for economic science, **or** the belief that a causal relationship exists between economic science, the economy, social ethos, and Christianity and that an understanding of this relationship is crucial to an understanding of all four elements involved; and

- 7) allegiance to Christ - the belief that Christians need not reject economic science or "the economy" to be faithful to Christ, or the belief that faithfulness ultimately requires the rejection of a secular world view and the institutional, economic, philosophical, ethical, and scientific beliefs and structures which conflict with a Christian world view.

All of these distinctions relate to the monistic/pluralistic dichotomy identified by Waterman, and it is through this generalized dichotomy that we may distinguish the thought of the orthodox Christian economists Carver, Richardson, Heyne and Waterman from that of the heterodox Christian economists including Andrews, Bemis, Clark, Commons, Ely, McKee, and Tiemstra. It is important to note that all such considerations should be taken into account when comparing Christian economists who subscribe to the two opposing views. Any discussion which considers only one or even two or three of these distinctions necessarily ignores key information relevant to the discussion, and it is perhaps omissions of this type which accounts for the apparent confusion and incommensurability of ideas among contemporary Christian economists.

Chapter seven concludes with a synthesis of the various conclusions and findings reached in chapters three, five, six and seven. It is argued that issues relating to gestalt, philosophical tradition, social control, uniqueness, dissimilarities in thought over time, and the monistic/pluralistic dichotomy described above can be systematically related to one unifying consideration; namely, philosophical tradition. In recognition of the postmodernist contention that all bodies of knowledge are inextricably tied to a particular *Weltanschauung*, the question arises as to how the beliefs, ideas, arguments, approaches, and other considerations associated with a particular philosophical tradition can be understood or compared with that of another philosophical tradition.

While a number of different possible approaches might be employed, the one suggested here is to identify the way in which the philosophical tradition associated with each of the economists or group of economists considered in this study is related to: (1) the importation of ideas; (2) historical, social and cultural setting; (3) social control; and (4) the

philosophical foundations imparted by the underlying economic paradigm. The method advanced here is merely suggestive, and no attempt is made to defend or develop essential elements of the discussion. It is, nevertheless, evident that Christian economists approach their subject from many different perspectives, employ many different ideas, and arguments, and reach at times fundamentally different conclusions. Any understanding of why such dissimilarities arise would appear to be inextricably linked to the *Weltanschauung* they bring to their thought. The approach suggested here represents one method by which to evaluate this issue.

Footnotes

- ¹ While "Christian economics" can be defined in any one of a number of ways, the definition as used in this study closely conforms to that suggested by Waterman in "Economists on the Relation Between political and Christian Theology: A Preliminary Survey." Christian economics in this context would include any subject matter relating economics to Christian theology, where the latter is defined "as the method of thought and the body of knowledge pertaining to the human religious understanding of Jesus of Nazareth. Knowledge in this context would include pre-Christian knowledge (such as that reported in the Old Testament and information derived from independent inquiry (such as natural theology) insofar as these are refracted through the 'Christ event.'" See Waterman, A.M.C., "Economists on the Relation Between Political Economy and Christian Theology: A Preliminary Survey." *International Journal of Social Economics*, 1987, p. 46.
- ² For a survey of contributions to Christian economics made by contemporary American economists see Waterman, A.M.C., "Economists on the Relation Between Political Economy and Christian Theology: A Preliminary Survey," *International Journal of Social Economics*, 1987, p. 46 - 68; Tiemstra, John P., "Christianity and Economics: A Review of Recent Literature." *Christian Scholar's Review*, 1992, p. 227-247; Clouse, G. (Ed.), *Wealth and Poverty: Four Christian Views of Economics*, Downer Grove, IL: InterVarsity Press, 1984; Elzinga, Kenneth G., "A Christian View of Economic Order," *Reformed Journal*, October, 1981; Gay, Craig M., *With Liberty and Justice for Whom?*, Grand Rapids, MI: William B. Eerdmans, 1991.
- ³ William Campbell, Judith Dean, Ross Emmett, Stephen Worland, Kurt Schaefer, Stephen Smith, Bruce Webb, John Anderson and others have also contributed to the Christian economic literature.
- ⁴ Among contemporary economists mentioned here only Waterman and Heyne explicitly defend the ontological view most closely associated with classical and neoclassical economics, and, in the case of Heyne, such support is qualified. See Heyne, Paul, "Can *Homo Economicus* Be Christian?," Paper prepared for Discussion at a Liberty Fund Conference on Christianity, Economics, and Liberty, Alexandria, VA: January 16-19, 1992, pp. 21-31; Waterman, A.M.C., "'Social Justice', Economics and the Problem of Evil," *St. Mark's Review*, Autumn, 1991, p. 8.
- ⁵ For a discussion of the Christian economic thought of Andrews, Bemis, Clark, Commons, and Ely see chapter two of this dissertation.
- ⁶ For an extensive discussion of the work and contributions of a late 19th century American academic economists see Dorfman, Joseph, *The Economic Mind in American Civilization*, Volume 3, 1865-1918, New York: Viking Press, 1949; Fine, Sidney, *Laissez-Faire and the General Welfare State: A Study of Conflict in American Thought, 1865-1901*, Ann Arbor, MI: University of Michigan Press, 1986; Furner, Mary O., *Advocacy & objectivity: a crisis in the professionalization of American social science, 1865-1905*, Lexington, KY: University Press of Kentucky, 1975; Normano, J.F., *The Spirit of American Economics*, New York: The John Day Company, 1943; Ross, Dorothy, *The Origins of American Social Science*, Cambridge: Cambridge University Press, 1991.
- ⁷ Other economists to make contributions to Christian economics during the latter part of the nineteenth century include Henry George, Henry Carter Adams, Richmond Mayo-Smith, John Bascom, Robert Elliot Thompson, George Herron, Edward Bellamy, and Edward Cummings. Among these only Adams and Smith actively supported the incipient efforts of Ely to use the newly founded American Economic Association as a platform of social reform. Interestingly enough, the Jewish economist Edwin Seligman also supported Ely.
- ⁸ See Hofstadter, Richard and Walter P. Metzger, *Development of Academic Freedom in the United States*, New York: Columbia University Press, 1955; op cit., Ross, *The Origins of American Social* Chapter 4; op cit., Furner, *Advocacy & objectivity*, Chapter 3.
- ⁹ See Church, Robert L., "Economists as Experts: The Rise of an Academic Profession in the United States, 1870-1920." In *The University in Society*, Lawrence Stone (Ed.), Princeton University Press, 1974. Coats, A.W., "The Educational Revolution and the Professionalization of American Economics." In William J. Barber (Ed.), *Breaking the Mould: The Development of Academic Economics in Nineteenth Century America*, Middletown, CN: Wesleyan University Press, 1988; op cit., Ross, *The*

- Origins of American Social* Chapter 4: op cit., Furner, *Advocacy & objectivity*, Chapter 3.
- ¹⁰ For a discussion on social Darwinist thought see Hofstadter, Richard, *Social Darwinism in American Thought, 1860-1915*, Philadelphia, 1944; Persons, Stow (Ed.), *Evolutionary Thought in America*, New Haven, 1950.
- ¹¹ For a discussion of the contributions made by Catholic economists to Christian economic thought during early to mid-Twentieth century see Abell, Aaron I., *American Catholicism and Social Action: A Search for Social Justice, 1865-1950*, Notre Dame: University of Notre Dame Press, 1963; Broderick, F.L., *Right Reverend New Dealer: John A. Ryan*, New York, 1963; Roets, Perry J., "Bernard W. Dempsey, S.J.," *Review of Social Economy*, Winter 1991; Gruenberg, Gladys, W., "The American Jesuit Contribution to Social Action and Social Order After *Rerum Novarum*," *Review of Social Economy*, Winter 1991. Boulding, Kenneth E., *Collected Papers*, Boulder, CO: Colorado Associated University Press, 1971.
- ¹² This assessment ignores contributions made by Christian economists living outside the United States and Canada. For an listing of such contributions see Waterman, A.M.C., "Economists on the Relation Between Political Economy and Christian Theology: A Preliminary Survey," *International Journal of Social Economics*, 1987.
- ¹³ Ross, Dorothy, *The Origins of American Social Science*, Cambridge: Cambridge University Press, 1991; Furner, Mary O., *Advocacy & objectivity: a crisis in the professionalization of American social science, 1865-1905*, Lexington, KY: University Press of Kentucky, 1975.
- ¹⁴ Broderick, F.L., *Right Reverend New Dealer: John A. Ryan*, New York, 1963; Harter, Lafayette G., *John R. Commons: His Assault on Laissez-faire*, Corvallis, OR: Oregon State University Press, 1962; Leiby, James, *Carroll Wright and Labor Reform: The Origin of Labor Statistics*, Cambridge, MA: Harvard University Press, 1969; Rader, Benjamin G., *The Academic Mind and Reform: The Influence of Richard T. Ely in American Life*, Lexington, KY: University Press of Kentucky, 1967.
- ¹⁵ White, Ronald C. and C.H. Hopkins, *The Social Gospel: Religion and Reform in Changing America*, Philadelphia, 1976; Marsden, George M., "The Gospel of Wealth, the Social Gospel and the Salvation of Souls in Nineteenth Century America," *Fides et Historia*, Spring 1973; Handy, Robert T. (Ed.), *The Social Gospel in America, 1870-1920*, New York: Oxford University Press, 1966; Handy, Robert T., "George D. Herron and the Kingdom Movement," *Church History*, June 1950; Handy, Robert T. (Ed.), *The Social Gospel in America, 1870-1920*, New York: Oxford University Press, 1966.
- ¹⁶ Noll, Mark A., *The Scandal of the Evangelical Mind*, Grand Rapids, MI: William B. Eerdmans, 1994.
- ¹⁷ Polanyi, M., *Personal Knowledge*, Chicago, IL: University of Chicago Press, 1958; Kuhn, Thomas, *The Structure of Scientific Revolution*, Chicago, IL: University of Chicago Press, 1962; Feysabend, Paul, *Against Method*, London: Verso, 1988; Wolterstorff, Nicholas, *Reason Within the Bounds of Religion*, 2nd ed., Grand Rapids, MI: Eerdmans Publishing Co., 1984.
- ¹⁸ This is the approach adopted by Gay, Craig M., *With Liberty and Justice for Whom?*, Grand Rapids, MI: William B. Eerdmans, 1991.
- ¹⁹ In the history of economic thought literature the work of Smith, Hume, and Steuart are generally viewed as the products of the 18th century Scottish enlightenment; Marshal, Pigou, Keynes and Robinson, among the four most notable economists in the world during the first half of the twentieth century, all taught at Cambridge and no doubt benefited from the highly productive intellectual milieu of which they were apart; and the "Vienna circle" associated with Menger, Bawn-Baerrek, and Wieser and later von Mises, Shumpeter, and Hayek are also representative of an intellectual gestalt.
- ²⁰ op cit., Handy, *The Social Gospel in America*, p. 173.
- ²¹ This quotation, which is representative of Ely's views on economic science, was adopted as part of a nonbinding "statement of principles" for the newly formed American Economic Association, op cit., *Ground Under Our Feet*, p. 140.
- ²² Clark, John Bates, *The Philosophy of Wealth*, Boston: Ginn, 1886, p. 34.
- ²³ op cit., Clark, *The Philosophy of Wealth*, p. 201.

CHAPTER 2

SURVEY OF LATE 19th/EARLY 20th CENTURY CHRISTIAN ECONOMISTS

Elisha Benjamin Andrews

The Reverend Elisha Benjamin Andrews, university president, professor of moral and intellectual philosophy and political economy, was born at Hinsdale, New Hampshire, on January 10, 1844. The son and grandson of prominent New England Baptist ministers, Andrews prepared for college at the Connecticut Literary Institute until the outbreak of the Civil War. Enlisting as a private in the First Connecticut Heavy Artillery, he rose to the rank of second lieutenant in two years; at which time he lost an eye in the siege of Petersburg and was mustered out of service.

Returning to Connecticut, he completed his secondary education and enrolled in Brown University in 1866. Upon graduating in 1870 with fourth honor, he was appointed principal of the academy at Suffield. Two years later, he entered Newton Theological Institute, graduating in 1874. After serving a one-year term as a pastor of First Baptist Church in Beverly, Massachusetts, he was appointed president of Denison University in Granville, Ohio, in 1875.

In 1879, Andrews accepted a position as professor of homiletics and pastoral theology at Newton. Three years later he received an appointment at Brown University, studied in Germany for one year and, upon returning, fulfilled his responsibility as professor of political economy. Although he left Brown for a position at Cornell University in 1888, he returned to Brown as president in 1889. His tenure as president, which lasted nearly a decade, was brought to an unfortunate end due to an imbroglio over his advocacy of bimetallism. Upon submitting his resignation, he accepted a position as superintendent of Chicago public schools in 1899. One year later he accepted the chancellorship of the University of Nebraska, a position he would hold until his retirement in 1908.¹

It was at Brown that Andrews established a reputation as an accomplished and highly regarded economist. A transitional figure, Andrews extended the work of his mentor Francis Wayland, the most famous economist to grace the halls of Brown University during the 19th century. Although he went much further than Wayland in his critical assessment of *laissez-faire*, they were of one accord in their belief that economics is inextricably linked to practical Christianity. In his textbook *Institutes of Economics*, Andrews declares that the "economic elevation of the poor will prove to be ultimately an ethical and educational work" and that Christian religion, "... rightly understood, includes all true morality."²

Explicit references to Christianity were quite common in mid-19th century American economic thought, and Andrews was no exception. In "Political Economy, Old and New," he concludes a brief history on economic thought with the following comment on the likely course of economic development, "... Setting to work with their well-known and most commendable moral zeal ... in aid to cooperative schemes where feasible, also to wholesome economic legislation for the control of monopolies, just taxation, and the encouragement of thrift; and above all, in the education and Christianization of the masses."³ In the same article he relies upon Biblical references to support his contention that income inequality is a natural outcome of worldly endeavors. He writes: "Leveling of wealth even Socialists do not expect, and it will not come, as it ought not For after all, what Jesus Christ has told us, that temporal good is not the final cause of our being, that 'a man's life consisteth not in the abundance of the things which he possesseth', remains true, and is the gospel for the day."⁴

At a deeper level, Christianity represented an indispensable element in Andrews' vision of social evolution. In his "The Duty of a Public Spirit," Christian morality is used as a guide to responsible citizenship. He initiates the discussion by evoking the memory of the Old Testament prophet Elisha. Elisha, writes Andrews, "had not immured himself in a cave in order to be at peace with his conscience" as had his predecessor Elijah, but took

on an active role in ministering to the needs of people on both a personal and public level. His contributions to the public well-being was of such great importance to the kingdom state of ancient Israel, that King Joash questioned the survival of the state upon his death.⁵

Andrews considered public servitude to be of no less importance in modern life; indeed, more so, since during the distant past, "Idle trust in God and in so-called natural laws of social growth was once not so unsafe, but now as population condenses, men's lives together requires increased thoughtfulness on the part of men themselves."⁶

While acknowledging a nonconscious element in historical development, Andrews considered conscious social evolution to be of far greater importance. Not surprisingly, public servitude and participation were also looked upon as important elements in this process. "We as individuals," he declares, "are participants in social development, to make or to mar. We may do our part in a half-conscious, listless, and slovenly way, rendering human society a clog to life, or conscious of our calling as partners with the divine, so as to render life increasingly rational and blessed."⁷

Andrews also took strong exception to both the notion that secular and religious human activities are inherently separable and the belief that ephemeral or worldly activity is essentially unimportant in the greater context of eternity. Quite the contrary, for, in his words, "a piece of time well used here on earth in the active love of man must be as beautiful a thing as any equal measure of eternity can be."⁸

Spiritual impoverishment or enlightenment was not Andrews only concern, however. For in a broader, less obvious way, an exclusive orientation towards other worldly phenomena berates social activism and gives rise to the error "that the social organism exists simply for the sake of the individual." He goes on to write:

... Even were that true, social order would be very precious, for one could still point out that only through others can you or your neighbor attain the development worthy of a man. Still, the notion of the social body as important instrumentally and not otherwise always lowers public spirit. Society is

in part an end itself. Man is greater and more glorious than any man. Final humanity is to be a kingdom, not simply a lot of perfected individuals. The totality of human relations, as a totality, is a splendid product, worthy of Almighty effort. Far from being accidental, mere scaffolding or instrumentality, it is innermost, essential part of creation, destined to stand forever⁹

With this thought in mind, Andrews outlines the role and duty of humanity in fashioning social, governmental, and economic relations. This could be accomplished in the following ways: 1) through an altruistic, selfless attitude in business and social relations; 2) through voluntary association and commitment to civic organizations, education, health; and/or 3) through selfless devotion to higher ideals on the part of citizens and polity in the public arena. This latter point is especially relevant, since in Andrews' view, political initiative exercised primarily or even exclusively for the purpose of selfish pecuniary gain can only lead to social disintegration and tyranny. He writes:

If the time shall ever come when free government, ..., has to be relinquished ... , the guilt will lie mainly at the doors of those, high and low, who, knowing better, have with money, directly or indirectly helped to eradicate in ignorant voters their already slender sense of political duty. No Hungarian government-haters. No Italian Mafia, no Irishmen fresh from the bog, are able to do the mischief to our American institutions which is done by reputable citizens in breaking down by the use of money the civic virtues of the masses.¹⁰

Similar exhortations are evident in his paper, "Economic Reform Short of Socialism." Rejecting both *laissez-faire* and the socialist theories of Rodbertus and Marx as being excessively dogmatic and optimistic, he proffers several solutions to the economic malaise of his time. He applauds Christian charity, but does so only insofar as it promotes rather than retards the work ethic. "The immediate saving is as nothing compared with the character-building which accompanies this wise form of philanthropy." He condemns "needless expenditures of the rich as well as the poor," noting that, "needless applications of wealth, expenditures prompted solely by lust and vanity, doing good to no one whatever in any way whatever, but evil, pure evil, to all."¹¹ He is especially critical of wasteful

expenditures by the rich, for unlike the poor, this type of expenditure could have been invested in productive activity. "New wealth," he declares, "would have resulted, bringing sharper competition of capital, lowering the rate of interest, and making much industry possible which, owing to the loss, is now impossible."¹²

Andrews also disparages trusts and combinations, unjust taxation and intemperance. Commenting on the economic cost associated with the latter, he writes: "Intemperance is a dreadful economic woe. It has been computed that this country consumes nine hundred and ninety-four million dollars' worth of intoxicating liquors annually - money enough to pay for and keep up a ten-thousand dollar life insurance policy for every head of a family in the land, thus practically abolishing poverty."¹³

Although Andrews was critical of egalitarianism and socialism, in general, he did not consider the market economy to be the product of divine creation, or, as so aptly put by one author, a system of economic thought where "The miracles wrought by the 'invisible hand' ... are presented as manifestations of revealed truth."¹⁴ The origin of a providential economic order was not attributed to Adam Smith, however. "No English economist of the first rank has ever maintained that a perfect, *laissez-faire* would at the same time be perfectly just." It was Bastiat and his followers who first proclaimed that "the state of affairs produced by perfect liberty to be the one wherein dwelleth righteousness." Andrews goes on to write:

We deny that the *laissez-faire* order is necessarily just or moral, as we have denied that it is best calculated to promote either the aggregation or the distribution of wealth. Industrial liberty has been, and still is, a mighty engine of good. The point is to work it, not to worship it, to take it, where we can, as economic maxim, but not as imperative or sacred law, even in economics, still less in morals.¹⁵

Andrews devastating critique of Bastiat's theory of a providential economic order led him to reject the "natural" interpretation of distribution as well, a position which was

somewhat out of step with erstwhile developments in economic theory. In anticipation or perhaps cognizant of these developments, he writes:

It seems to the writer that in automatic or unregulated economic distribution no ethical principle is to be found. If we unfortunately insist on naming automatic distribution 'natural,' then the same is to be said of 'natural distribution,' and we may as well end the quest for harmony between the ethical and the economic. Ungoverned, unguided, mechanical, distribution will never issue in justice.¹⁶

Much of the work in Andrews' previous writings is synthesized and refocused in his book *Wealth and Moral Law*. The emphasis of the book is two fold: first, to systematically address the various themes scattered throughout much of his previous work; and second, to educate the clergy on those social economic issues pressing on their hitherto exclusively theological domain. With a clerical audience in mind, he writes, "If it was ever possible to set forth a full gospel without canvassing rights and wrongs connected with wealth, poverty, legislation, and social order, it is so no longer. ... Political economy is not the gospel, but it may be made nobly ancillary thereto." He is quick to dispel, however, any notion that political economy should displace the gospel, adding: "Social Science by itself will save no man. The command, Preach the Word, is as valid, imperative, and important as ever. Only we want wisdom to preach it roundly and well."¹⁷

In the first of several distinct lectures, he sets forth the following propositions on the relation of wealth and morality:

- 1) The existence of wealth is morally legitimate;
- 2) Wealth is necessary not as an evil but as a good;
- 3) The wealth, however large, of one man does not necessarily involve the poverty of any other man;
- 4) Whatever may be sometimes the case, as things are, it is no sin to get rich or to be rich;
- 5) Important as are the distribution and the tenure of wealth, the existence or supply of it is more important;
- 6) For the present, millionaires, however dangerous, are desirable;
- 7) Giving in charity may be overdone;
- 8) Giving in charity may be wrongly done;

- 9) Wealthy people's chief sin of omission is idleness;
 10) Wealthy people's chief sin of commission is waste, in the form of idle luxury.¹⁸

Andrews' philosophy of wealth as suggested in the above propositions runs counter to three commonly held views: the Aristotelian and Scholastic idea that wealth accumulation is ignoble; the 19th century libertarian belief concerning individual sovereignty and lack of responsibility to one's fellow man; and the idea that an egalitarian redistribution of wealth will necessarily result in an improvement in social welfare.

His critique of the latter of these three views is notable insofar as he contends that any effort which undermines the personal work ethic or distorts the market mechanism in favor of an otherwise inefficient mode of production should be avoided. Philanthropic subsidized co-operatives, for example, may actually result in a net loss in social welfare as more cost efficient, non-subsidized firms are forced to leave the industry. Alternatively, the redirection of resources from productive investment to consumption in the form of charity is "at best doing good in one direction, at the expense of good in another." He goes on to write, "Were not the greater part of wealth now existing used productively, soon there would be not wealth to use charitably."¹⁹

The loss in productivity was not, however, the only deleterious consequence associated with misguided charity. Anticipating much of the current criticism of welfare dependency, Andrews writes: "Men who are long in idleness not only lose their skills; they lose their manliness, their independence."²⁰ In a similar vein, he declares:

... the loss of economic character merges insensibly into a loss of moral character. Idleness is the mother of vice. The man who is willing that you should support him if you please, after a time becomes determined that you shall support him whether you please or not. If you will not give, he will take. This is always the tendency. Misinformed, thoughtless, irrational charity is probably responsible for hardly less vice than intemperance itself.²¹

Taking note of both consequences, a decline in productivity and moral degradation, Andrews concludes: "The things to do for other destitutes is to find or furnish them something to do. And the employment provided must not be disguised charity, but such as will prove of real advantage to the whole community."²²

Despite conservative protestations against misguided charity and market intervention in general, Andrews took a dim view towards unbridled market capitalism. Believing that modern industry would become increasingly concentrated and, with the exception of small scale industry, increasingly characterized by trusts and combinations, he advanced the somewhat novel notion of government regulated pricing of privately produced goods. "The point for society to aim at," he declares, "is to continue all the advantages of monopoly, increasing them if possible, while preventing the monopolists themselves from going to sleep or retaining more than their just share of what they make."²²

While Andrews' conclusion must be considered iconoclastic even by 20th century standards, it follows directly from his perception of evolving economic relationships. The apparent shift to an oligopolistic market structure, for example, could be attributed to increasingly larger capital requirements and recurring microeconomic market crises. Evolutionary changes such as these were by their very nature inexorable and not subject to human intervention or corrective measures. Commenting on the futility of restoring the competitive order, he says:

.... Many cling to the delusion that these mighty combinations of capital are to pass away and the old-time competition to return. Bills have been brought before half the legislatures of the Union to compel free competition by making trade syndicates absolutely illegal. To my mind there is no question that such legislation will be vain. The age of competition as we have known it is gone for ever.²³

Since a competitive environment could not be maintained, the only question which remained to be answered was what, if anything, should be done concerning systemic oligopolistic market structures. Although Andrews acknowledged that market concentration

afforded certain advantages, such as the pooling of capital and orderly market planning, he rejected a policy of inaction on essentially moral grounds. He writes: "I ask the reader specially to note, for it is widely overlooked or denied, that when a business comes under trust form, no mere economic law is going to force it to deal fairly with society. So far as economic law is concerned, it may, and, unless seriously, systematically looked after, probably will, prove rapacious instead."²⁴

Andrews goes on to identify a number of other social costs which he considers to be even more pernicious than monopolistic profiteering. He points to the "apathy toward industrial improvements and inventions and tardiness in adopting such"²⁵ as a natural consequence of monopoly. He draws special attention to the fact that the benefits associated with declining real prices under an oligopolistic market structure are specious, remarking that, "It may thus come to pass that, even when prices experience no absolute rise, or even fall a few points, they still range far above what they would have been if governed by competition ..."²⁶ Finally, Andrews strongly denounces the concentration of wealth associated with monopolistic practices. His concern, however, is not egalitarian, as one might surmise, but behavioral. "Inordinate wealth almost inevitably tends to impair thrift, leading its possessors to prefer unproductive to productive forms of expenditures."²⁷

Price regulation was not a panacea, however, for the resulting benefits "will not," in his word, "compensate for the loss of civil liberty or for the decadence of genius in invention and initiative."²⁸ Andrews never resolved the apparent tradeoff between orderly markets and equitable prices, on the one hand, and freedom and enterprise, on the other, referring to such tradeoffs as one of the many examples "where political economy abuts upon ethics."²⁹ He did, however, proffer a solution premised on moral betterment. "Mankind", he writes, "must have more philanthropy, richer, more solid character, willingness in men to do for love what hitherto only money could induce. Nor is this humanity's imbroglio here alone. At every point, economic advance, increase in temporal good, waits, in last analysis, upon spiritual advance, increase in moral good."³⁰

In a subsequent lecture in *Wealth and Moral Law*, Andrews identifies a number of "economic evils" caused by legislation - bad taxation, bad land laws, and the vices of our monetary system being the most prominent. He considered the 19th century system of levies on personal property and real estate to be technically unworkable and morally deleterious. Commenting on the then ubiquitous problem of concealment, he writes: "The inevitable latter day operation of the plan is to foster dishonesty, to fine and discourage public spirit, to rob the defenseless and the poor, and to aid extraordinarily wealthy people in evading their fair allotment of fiscal dues."³¹ He was also critical of rent accruing to unimproved land, concurring with Henry George's assessment of land rent as "enriching some men without desert and impoverishing others without ill-desert."³² Not surprisingly, he supported George's "new plan for taxation," considering it a major improvement over the taxation of personal wealth while redressing the inherent inequities associated with the existing land-tenure system.

Andrews' critique of the 19th century monetary system is especially notable given the prominent position he held as a leading proponent of bimetallism (the coinage of both gold and silver as medium of exchange). Following the lead of Germany in 1873, a number of countries either demonetized or greatly limited the use of silver during the last quarter of the 19th century. The resulting decline in the money supply precipitated a dramatic drop in prices and contributed to the financial panic and depression of the 1870s.

Economic costs were not his only concern, however. For apart from general economic distress, the most insidious element of monometallism and price instability was the redistribution of income associated with unforeseen changes in the price level. While this could occur in any number of ways, the most obvious and most troubling was the redistribution in purchasing power either from lender to borrower, in the case of a price rise; or, from borrower to lender, in the case of a price decline. While acknowledging that such

issues are in large measure ethical in nature, Andrews, nevertheless, deplored all such transfers, considering them a dishonest breach of trust and contract. He writes:

... But money also, besides mediating exchanges, serves as a standard of deferred payments. To fulfill this office ideally or even justly it must preserve its general purchasing power unchanged from period to period. Increase in the value of money (falling prices) robs debtors Decrease in the value of money (rising prices) robs creditors ...³³

Poor legislation and the resulting evil that it wrought was simply another manifestation of human depravity. Andrews poses the following rhetorical question: "What keeps up the world's vicious systems of land tenure, taxation, and money?" In answer to this question, he proclaims:

It is at bottom naught else but men's selfishness, influential members of classes in society having, or thinking that they have, an interest in maintaining present abuses, and sturdily refusing to let justice be done. Nothing but the greed of a powerful creditor class in Great Britain hinders the immediate establishment in the world of a righteousness and beneficent system of money, that would put an end to hard times for an indefinite term and perhaps for ever. Bad taxation and bad laws are equally due to the selfishness of those benefited, or thought to be so, by the existing order.³⁴

In addition to ascribing "economic evil" to poor legislation, Andrews also provides a discussion of the "faults, wrongs, and dislocations characteristic of the present economic regime."³⁵ These include gambling which, in addition to lotteries, cards, roulette, etc., he defines as including nonproductive speculation; stock watering; sub-corporations set up solely for the purpose of bilking stock or bondholders; large scale stock manipulation, and the like. The source of such improprieties was, of course, greed and a general lack of moral rectitude. Writing on this subject he proclaims, "After all, the worst trouble with great corporations, is that, in a very true sense, they have no souls."³⁶

Andrews considered "economic evil" to be a systemic element of 19th century industrial society, and not attributable, as prevailing opinion would have it, to "criminal

manipulation of corporations, and the various unfair advantages of some men over others."³⁷ Nor, Andrews declared, would "The form of which part of these vices now take ... disappear in consequence of certain mere mechanical changes that might occur in the structure of society;" but "the essence of them would outlast such changes and yield only to moral force."³⁸

The belief that capitalism was neither the incarnation of divine perfection nor inherently pernicious was also reflected in his perception of poverty, and led him to reject the belief that poverty was primarily a function of sloth, personal irresponsibility, misguided mercantilistic policies or even providence. Commenting on this issue, he writes:

It is amazing to hear bright thinkers arguing as if poverty were always due to the fault of the people who suffer it, as if there were some providence or natural laws which would make it impossible for some man ever to smart for the misdeeds of another. Not seldom this is exactly what occurs. In fact, one of the very worst vices of present industry is that it continually visits curses upon men for results which they had not the slightest hand in originating. It is said that profits are justifiable because the employer takes risk - a position entirely just so long as the present system prevails. But it is not the profit-making alone who is involved in the risks he takes. His help are bound up with him; and, if he proves to be rash, while he himself will only have to surrender this or that luxury, they may starve or freeze. When over-production, again, either alone or aided by over-speculation, or by those changes in the value of money referred to in the last lecture, has evoked a commercial crisis, the poor, who have had nothing whatever to do with causing it, are the chief sufferers.³⁹

Although Andrews was highly regarded and best remembered for his many contributions in purely technical economics, much of his work, including many of his earlier papers and especially *Wealth and Moral Law*, merge the elements of morality and economics into a common theme. This conforms with his notion of late 19th century industrial society as an imperfect yet, nevertheless, perfectible regime. Perfection, in a figurative sense, however, could not come from mere mechanical rearrangements of incentives and economic relationship, but must ultimately follow a collective moral and spiritual

regeneration of society. In the closing chapter of *Wealth and Moral Laws*, he writes: "Nearly all the woes of humanity to which our attention has been turned are due, directly or indirectly, to some moral difficulty." In the final analysis, prosperity could only be achieved if men are reconciled with God. "If," on the other hand, "men will depart from God," society will never function in an ideal way, and "the happiness, even of a temporal order, which they might have enjoyed, becomes either impossible to them or attainable only through the utmost strife."⁴⁰

Footnotes

- ¹ Bronson, Walter C.. *The History of Brown University, 1764-1914*. Providence: Published by the University. 1914. pp. 427-428.
- ² Quotation from Barber, William J. "Political Economy from the Top Down: Brown University." In Barber, William J. (Ed.), *Breaking the Academic Mould: Economists and American Higher Learning in the Nineteenth Century*. Middletown, CN: Wesleyan University Press, 1988. p. 89.
- ³ Andrews, E. Benjamin. "Political Economy, Old and New." *Andover Review*. August 1886. p. 147.
- ⁴ *ibid.* p. 148.
- ⁵ Andrews, E. Benjamin. "The Duty of a Public Spirit." Brooklyn Ethical Association. *Man and the State*. New York, 1892. p. 3.
- ⁶ *ibid.* p. 11.
- ⁷ *ibid.* p. 11.
- ⁸ *ibid.* p. 6.
- ⁹ *ibid.* p. 7.
- ¹⁰ *ibid.* p. 16.
- ¹¹ Andrews, E. Benjamin. "Economic Reform Short of Socialism." *Yale Review*. II. May 1893. p. 282.
- ¹² *ibid.* p. 283.
- ¹³ *ibid.* p. 284.
- ¹⁴ Barber. *op cit.*. p. 89.
- ¹⁵ Andrews, E. Benjamin. "Individualism as a Sociological Principle." *Yale Review*. II. May. 1893. p. 25.
- ¹⁶ *ibid.* p. 26.
- ¹⁷ Andrews, E. Benjamin. *Wealth and Moral Law*. Hartford, CN: Hartford Seminary Press. 1894. p. 10.
- ¹⁸ *ibid.* pp. 10-25.
- ¹⁹ *ibid.* p. 19.
- ²⁰ *ibid.* p. 19.
- ²¹ *ibid.* p. 22.
- ²² *ibid.* p. 19-20.
- ²³ *ibid.* p. 46.
- ²⁴ *ibid.* p. 36.
- ²⁵ *ibid.* p. 38.
- ²⁶ *ibid.* p. 40.
- ²⁷ *ibid.* p. 41.
- ²⁸ *ibid.* p. 44.
- ²⁹ *ibid.* p. 48.
- ³⁰ *ibid.* p. 49.
- ³¹ *ibid.* p. 49.
- ³² *ibid.* p. 51.
- ³³ *ibid.* p. 55.
- ³⁴ *ibid.* p. 65.
- ³⁵ *ibid.* p. 115.
- ³⁶ *ibid.* p. 69.
- ³⁷ *ibid.* p. 77.
- ³⁸ *ibid.* p. 115.
- ³⁹ *ibid.* p. 115.
- ⁴⁰ *ibid.* p. 88.

Edward W. Bemis

Edward Webster Bemis, economist, public administrator and social reformer was born in Springfield, Massachusetts, on April 7, 1860. He graduated from Amherst College in 1880 and from Johns Hopkins University in 1885, receiving a Ph.D. in history and economics. From 1886-1888, he taught economics at Vassar College, Ohio State University, Carelton College and elsewhere and for four years served as an associate professor of economics at Vanderbilt University. During this period he was actively engaged in academic discourse, was counted among the founding members of the AEA and received notable recognition for his many contributions to the *John Hopkins Universities Studies* and the *Publications of the AEA*. In 1892, Bemis was awarded a position at the newly founded University of Chicago. Due to political pressure, however, he was forced to resign only three years later, and after two years at the Agricultural College of Kansas left academia. From 1897-1899, he headed the Department of Municipal Monopolies in the Bureau of Economic Research. In 1902, he was appointed superintendent of the water works at Cleveland, Ohio, a position he was to occupy until becoming deputy commissioner of water supply, gas and electricity of New York City eight years later. He also served on the advisory board of the Interstate Commerce Commission from 1913 to 1923, and from 1911 until the end of his life was active as an appraisal engineer for a number of large public utilities.¹

Although Bemis' academic career was rather short he is, nevertheless, remembered as an active proponent of Christian social reform. Along with John Bascom and John Commons, he served as editor of the Christian publication *Kingdom*; was an active participant in Bliss' 'Social Reform Union,' providing along with Frank Parsons correspondence instruction through the Union's 'Bible Lessons in Social Reform'; and contributed numerous articles to *The Dawn*, a Christian socialist publication with the avowed purpose of providing a "cure for plutocracy, mammon worship, pauperism, poverty and unbelief."²

Similar to Ely, Andrews et al., Bemis did not strictly dichotomize his Christian and economic writings into separate readily definable categories. In his "Socialism and State Action," he utilizes scriptural references in an effort to rebut or strengthen the moral imperatives underlying the discussion. In an obvious retort to conservative Christians, he quotes the scriptural passage: "The poor ye have always with you," but then adds that "the depth of this poverty and its hopelessness are realized by few save the sufferers.... there is nothing to show that the lowest class of workingmen have risen much above a purely animal existence, which is a reproach to our civilization, however, difficult may be the problem of its elevation."³ Or consider the following reference to the Lord's prayer in Bemis' Malthusian vision of a time "when this terribly competitive age will press harder upon the weaker portion of those struggling for existence, until the prayer, 'Give us this day our daily bread,' will rise with a fearfully literal meaning from the lips of millions."⁴

As illuminating as such references are they only provide a glimpse of Bemis' views on the more pressing social questions of his time and their relation to Christian values and ethics. The above quotations, as well as his active participation and contributions to Christian socialist associations and publications, may lead one to conclude that he was a socialist, or, at the very least, had very strong socialist leanings. He did not. "The theory of socialism," he declares, "is fallacious." "Yet," he adds, "the ideal of its expounders is a noble one and accounts for much of the popularity of socialist writings."⁵

Bemis' views on socialism are characteristic of those held by other progressive social reformers of his time, arguing that while the ideals of socialism are laudable they are simply not achievable through the methods advocated by their chief proponents. Christianity, on the other hand, afforded more moderate, late 19th century thinkers with a broad range of generally accepted ideals without the rigid, dogmatic schemes commonly

associated with socialism. Such an assessment is evident in Bemis' comparison of Christian and socialist ideals. He writes:

Nor is it true, as many suppose, that socialism is necessarily opposed to Christianity, although many of our would be reformers are drifting to infidelity, impelled thereto in many cases, we fear, by the unsympathetic worldly spirit of some of our churches. Christianity is opposite, but not antagonistic, to socialism. The former seeks to elevate humanity by raising the individual; the latter by improving his environment. Both methods have their place. We persuade men to sign the pledge; we also legislate against the sale of liquor. In its ideal, its interest in humanity, and its demand for self-sacrifice, although surely not in the motives of its exercise, socialism in its best form, somewhat resembles Christianity. Its leaders, are, therefore, entitled to our respect and sympathy, although their plans for the millennium seem castles in the air.⁶

While the commonality of purpose noted in the above passage provided the rationale for social action, Bemis was quite cautious concerning the specifics of such action, preferring, in his words, "moderate State action, less, indeed, than demanded by the socialist, but greater than at present."⁷ It was with this thought in mind that he advanced specific measures for social reform including, but not limited to, public education, sanitary regulations, land reform, labor legislation, government regulation of railroads and telegraphs, and municipal ownership of gas works.

Bemis' somewhat cautious approach to government intervention reflected a keen appreciation of the practical limits of government intervention. At a deeper more visionary level, however, a utopian element is evident in his thought. In a paper derived from a study of the town and county court records of the small New England community Springfield, Massachusetts from 1636 to 1686, Bemis identifies a number of laws and customs which he considered to be of special interest and perhaps even advantageous to modern society.

One such law was a prohibition on land transfer to those settlers who already owned a lot. The nature of this law as well as its purpose is described by Bemis in the following quotation:

The law of January 24, 1639 (O.S.), respecting the transfer of lots, is very interesting. No man possessed of a lot could sell it to another inhabitant that already had a lot. Neither could any man possess two men's lots without the town's consent. If any one desired to sell his lot to a stranger he could do so, provided the town did not 'disallowe of the said stranger.' In the latter case the town must itself buy the land within thirty days, at the appraisal of disinterested parties, or allow the sale to the stranger. The purpose of the restriction of ownership to one lot is directly stated in a vote of the town of 1664, that such a restriction was made 'that soe no person may ingross more than one's share of land there.'⁸

A review of English common law and economic history led Bemis to conclude that such laws were not, as one might suppose, traceable to England, but in his words "appear rather to be a revolt from existing conditions in the mother country, and an attempt to prevent in the New World the abuses and usurpations of the Old."⁹

Bemis also draws attention to the similarity between such laws and similar provisions in the Old Testament, noting that "the laws just quoted remind one of the enactments of Moses, requiring that conquered lands should be divided by lot in equal portions among the Israelites and then become absolutely inalienable, continuing forever the property of the original possessor."¹⁰ The relationship between these two periods was in Bemis' opinion axiomatic and reflected the considerable influence of biblical principles and codes on early New England life.

Drawing heavily from the work of de Laveleye, he compares life in the 17th century England village with that of the 19th century Switzerland commoner. The latter he describes as one who is "the cultivator of his own field, which he holds by virtue of his natural and inalienable right of property; he grows a part of his food supply, and is attached to the soil which he occupies, to the commune in whose administration he takes

part, feeling himself connected with his fellow members by the bonds of a common ownership, and to his fellow citizens by the exercise of the same rights." This somewhat idyllic picture of an organic society is contrasted with "The gloomy condition of the English workman," which "beggars in his mind hatred of social order, of his master, and of capital, and consequently, a spirit of revolt." "The Swiss workman," Bemis goes on to write, "enjoying all the rights natural to man, cannot rise up against a system which secures him real advantage, and which his vote helps to perpetuate."¹¹

This assessment reflects Bemis' position toward the American Puritan system of land tenure and commons. While acknowledging "that the greater product resulting from private ownership of land makes the old system of communal ownership impracticable," the advantages including widespread civic responsibility, redress of social and economic inequality and the preservation of a democratic society makes the orientation, if not the specific elements of 17th century Puritan society, worthy of serious consideration. In "their day," Bemis writes, "our forefathers solved the social problem, which now looms so portentously before us, far better than have their sons ... unless we can in other ways return to the idea of our fathers of giving every one a direct share in the profits of his labor, and encourage him through building associations, postal and school savings banks, and in many other ways to own property, we shall witness in this republic the same warfare between rich and poor, which caused the downfall of all ancient republics, including Rome herself."¹²

One can dismiss such concerns as being common to conscientious citizens, Christian or otherwise. What distinguishes Bemis' thought, however, from secular economists of his era was an abiding belief in the individual as a crucial consideration in social reform and the role of the church in motivating and guiding human behavior. "Few socialists," he writes, "are so careful to emphasize the need of intellectual and moral as well as of material elevation. The tendency of modern philosophic thought to consider man's condition as the result of environment leads most social reformers to charge upon society blame which,

in large degree, should be cast upon the individual."¹³ Nor was Bemis so idealistic as to believe that a mere transformation of the social structure, irrespective of its scope and origin, would eliminate the problem of scarcity, for he writes: "With a rich soil, good climate, and such foresight in legislation as to secure to every head of a family a fair means of self-support, pauperism would hardly seem possible, yet intemperance and thriftlessness bore the same fruits then as now."¹⁴

Overcoming such limitations represents the second element in Bemis' program for social reform. The first element, as noted above, involved incremental changes in the social structure which were to be brought about through corresponding changes in government policy and legislation. The second element reflected an activist approach involving exhortation, instruction, and the inculcation of Christian values.

This latter approach was evident in many of his publications for Christian periodicals as well as a number of public addresses and speeches.¹⁵ In his "The Relation of the Church to Social Questions," Bemis calls on clergy and laity alike to adopt Christian values in all walks of life and takes strong exception to the current practice whereby morality is segmented into four distinct codes: "one for the Church and Sunday, a second for the home, a third for politics, and a fourth for business." He goes on to write: "Until our churches are prepared to denounce bribery, intimidation and corruption in politics, fraud and unscrupulousness in business, and selfishness everywhere, with as much zeal as they denounce the tirades of an Ingersoll, there is a discouraging prospect for our country's future."¹⁶

Bemis goes on to challenge the church to enforce the second commandment, 'Love thy neighbor as thyself,' as much as the first. The application of this commandment, however, is more difficult than one might first surmise. "While it is easy enough to indulge in glittering generalities and urge obedience to the golden rule as the great cure-all, it is a far different and harder question precisely what the golden rule demands in concrete cases. How shall we apply it?"¹⁷ In answer to this question, Bemis outlines a number of concrete

applications where the church can and, indeed, should have an influential effect on American society.

The first step to be taken is for clergy and laity alike to develop "a sympathetic interest in the roiling men and women about us." He writes "we can never properly study the causes of poverty - whether dissipation, thriftlessness or far deeper causes - unless we are able to realize the frequently sad inheritance of physical, mental and moral incapacity, the poor education and childhood training of the wage earner, for which he is not responsible, and his low wages and mind-deadening employment, which inevitably destroy all appetite for aught save bodily gratification." Bemis is critical of the view that individual initiative and self-elevation is sufficient in and of itself to alleviate poverty. "The problem is how to make them serve more and to assist them upward."¹⁸

Bemis also called on Christians to "attack the causes of existing poverty and degradation" through a more loving, kinder approach to public policy. He criticizes church members, especially businessmen, for advancing selfish interest over the general welfare and identifies a number of issues worthy of Christian support in the public arena. These included mandatory public education, child labor laws, occupational safety, prison reform, sanitary regulations, improved housing, and public works. "No fact of economic science has been more clearly proved within ten years than the power of public opinion to raise wages, shorten the hours of labor, secure education for children, and in other ways humanize and elevate the community. Let every clergyman see that he is doing his part in educating this public opinion."¹⁹

Finally, Bemis calls upon the church to foster a spirit of "unselfishness, public spirit, political integrity and kindly treatment of employees." While pastors, for example, cannot address economic issues such as tariffs from the pulpit, they can, nevertheless, promote a Christian vision of a just society by pricking the consciences of selfish businessmen and apathetic parishioners. As examples of how the church has utterly failed in this regard, Bemis tells the stories of how New York child labor laws were defeated in the state

legislature by "Merchants who were prominent church members,"²⁰ and how Christian businessmen, who when queried concerning whether they would support a law promoting the public interest or their personal interest overwhelmingly chose the latter. "Can we wonder," he declares, "that there is so much suspicion of our churches when we hear so few denunciations within them of the social wrongs and injustices practiced by the members?"²¹

Despite such immediate concerns Bemis was generally optimistic concerning the future prospects of humanity. In the closing paragraph of "Socialism and State Action," he writes "Although the way sometimes looks dark, our faith is strong that in the dim, far-distant future, the dream of the poet shall be fulfilled.

There shall come from out this noise of strife and groaning
A broader and juster brotherhood,
A deep equality of aim, postponing
All selfish-seeking to the general good,
Then shall come a time, when each shall to another
Be as Christ would have him - brother unto brother.²²

Footnotes

- ¹ "Edward W. Bemis." *National Cyclopedia of American Biography*. current volume B: 434-435. New York, 1927. p.435; Bliss, W.D.P. (Ed.), *The Encyclopedia of Social Reform*. New York: Funk & Wagnal. 1897. pp. 107-108.
- ² Hopkins, C.H., *The Rise of the Social Gospel: American Protestantism, 1865-1915*. New Haven: Yale University Press, 1940. p. 176-177.
- ³ Bemis, Edward W.. "Socialism and State Action." *Journal of Social Science*. September 1886. p. 34.
- ⁴ *ibid.*, p. 35.
- ⁵ *ibid.*, p. 42.
- ⁶ *ibid.*, p. 37.
- ⁷ Quoted from Fine, Sidney. *Laissez-Faire and the General Welfare State: A Study of Conflict in American Thought, 1865-1901*. Ann Arbor. MI: University of Michigan Press, 1986. p. 211.
- ⁸ Bemis, Edward W.. "Old Time Answers to Present Problems as Illustrated by the Early Legislation of Springfield." *New Englander and Yale Review*. February 1887. p. 122.
- ⁹ *ibid.*, pp. 122-123.
- ¹⁰ *ibid.*, p. 123.
- ¹¹ *ibid.*, p. 123.
- ¹² *ibid.*, p. 123-124.
- ¹³ "Socialism and State Action, op cit., p. 43.
- ¹⁴ "Old Time Answers to Present Problems as Illustrated by the Early Legislation of Springfield." op cit., p. 127.
- ¹⁵ In one such speech Bemis mounted the pulpit at the First Presbyterian Church of Chicago and in the mist of the politically-charged environment of the Pullman Strike castigated railroad leaders who bribed state legislatures and violated laws against discriminatory practices. Having heard the speech the president of the Chicago and Northwestern Railroad, Marvin Hughitt, protested vehemently to the University of Chicago trustees. an action which culminated in Bemis' forced resignation one year later.
- ¹⁶ Bemis, Edward W., "The Relation of the Church to Social Questions." *Dawn*. II. July-August, 1890. pp. 157-158.
- ¹⁷ *ibid.*, p. 150.
- ¹⁸ *ibid.*, p. 151.
- ¹⁹ *ibid.*, p. 154.
- ²⁰ *ibid.*, p. 155.
- ²¹ *ibid.*, pp. 153-155.
- ²² "Socialism and State Action." op cit., p.68.

Thomas Nixon Carver

Thomas Nixon Carver was born in Kirksville, Missouri, on March 25, 1865. Raised in a devout religious household, he retained much of the Protestant zeal and enthusiasm for religious matters of his forefathers during the early part of his life, first at Iowa Wesleyan and later at the University of Southern California (USC) where he served as the superintendent of Sunday school. It was at USC that Carver considered a career in the ministry, but after some reflection realized that he could not meet the "Methodist standards of orthodoxy." Opting instead to continue his education, he studied at Johns Hopkins University under Richard Ely and John Bates Clark, and later at Cornell University where he eventually received his Ph.D. in 1894. After a six-year appointment at Oberlin College, he was awarded the position of professor of political economy at Harvard University in 1900. During the ensuing years he held a number of key positions including director of Rural Organization at the U.S. Department of Agriculture from 1913-1914, and president of the American Economic Association in 1916. Upon retiring from Harvard in 1932, he moved to Santa Monica, California, where he continued to publish numerous magazine and newspaper articles on economic problems. He died in 1961.¹

Carver has been justly described as not only an eminent economist, but also as a significant figure in American intellectual history. His most notable contribution to economic theory occurred during the early part of his career when he unified what was hitherto considered two separate theories of the determination of interest: abstinence and the marginal productivity of investment. In a seminal paper published in the QJE in 1893, a year before he received his Ph.D. at Cornell, he asserted that interest is "the price that measures marginal productivity on the one hand, and marginal cost of sacrifice on the other."² Similar to the price of any other item which is contingent on jointly deterministic supply and demand functions, the interest rate would be indeterminate in the absence of either of these two elements.

Carver's early contributions in interest theory and marginal productivity would eventually give way to a much broader and more diffuse approach to economic science. Going against an incipient trend which tended to emphasis specialization rather than grand, all encompassing theories, his later writings addressed and, in some sense linked, topics as diverse as economic justice and social responsibility, class and social conflict, economic development, economic history, immigration, national prosperity, egalitarianism, the work ethic, nationalism, and religion and morality.

The two central tenets unifying these disparate and seemingly unrelated concepts were scarcity and social Darwinism. The latter of these, social Darwinism, was viewed as a type of selective mechanism which would prune and nurture a fundamentally just and productive market economy so as to provide ever higher levels of national prosperity and social cohesion. Commenting on the role of natural selection in the moral, social, and economic plane, Carver writes:

Since Darwin, the world is committed to the idea that progress takes place mainly, if not exclusively, by the process of variation and selection. Whether the variations be small and numerous or occasional and extreme may be open to question. But without variation of one kind or another there can be no selection, and without variation and selection there is no progress. This, in the opinion of the writer, is as true of moral, social, or economic progress as of biological progress. This is not bringing morality under laws of biology any more that it is bringing biology under the laws of morality. It is merely stating as a universal principle, wider than either morality of biology, the method of trial and rejection, variation and selection, as the method of all evolution and of all progress.³

Carver identified relative factor scarcity as the operational characteristic through which natural selection would occur. If capital were scarce and labor abundant the market mechanism would place a greater premium on preserving the scarce factor, capital - eliminating all but the most efficient or most productive implementations of this factor. If, on the other hand, labor was the scarce factor, the market would minimize labor input or maximize labor output by fostering those techniques, products or activities which are

conducive to such results. These might include enhanced education, labor-saving machinery, a relative abundance of capital intensive products, etc.

While optimal factor allocation as suggested here was a key element in Carver's social Darwinist thought, it was factor supply - or, rather, modifications to factor supply - which provided Carver with the theoretical means to implement his grand social design. The concept of total, marginal and diminishing marginal product were new, yet relatively well-developed concepts by the close of the 19th century. With the development of these relationships it became apparent that national product or national product per unit of endowed factor - labor, land or capital - could be modified through corresponding changes in the supply of one or more of such factors. Concurring with this view, Carver writes:

The first problem of reform in any system of distribution is to search for the limiting factor or factors.... Whether the limiting factor be land, as in densely populated countries, capital as in countries where thrift has not developed, mechanical skill, as in countries where technical education has received little attention, or managing ability, as in countries where business education is difficult to acquire, and also where the business man is held in low esteem, the problem is essentially the same. The remedy is, of course, to increase the supply of the limiting factors. The remedy for a scarcity of the higher forms of skill and managing ability is, of course, vocational education.⁴

Together, social Darwinism and scarcity formed the linchpin of Carver's grand scheme of social philosophy. On the one hand, he vehemently opposed any effort to support or sustain losers in the competitive environment, judging such efforts to be counterproductive. On the other hand, he staunchly supported any social, moral or political initiative which would alter the supply of endowed factors in favor of labor. While an interventionist effort of the latter type - say, for example, some restriction on immigration - may appear to be inconsistent with the unbridled competitive spirit of the former, both elements of his philosophy were strictly compatible at least in terms of the overall objectives: national prosperity, social cohesion and egalitarianism.

Carver heartily endorsed any change which might facilitate a move towards these objectives. Indeed, at times he would go so far as to actively promote such changes, moving almost effortlessly from the role of an analytical economist to that of social reformer or preacher. The normative elements in his writings were so prominent, in fact, that one might be tempted to conclude that the theoretical mechanics and logic for which he earned his well-regarded reputation were constructed merely for the purpose of promoting an essentially normative agenda.

Whether or not such an interpretation is true is, of course, a matter of conjecture. What can be said, however, is that much of his writings on moral, social and philosophical issues were interrelated and followed from or, at the very least, reflected the theoretical scaffolding suggested above. This was true of his writings on justice, poverty, and social and personal responsibility. It was also true of his writings on religion, which, in Carver's estimation, was to be judged almost exclusively on the basis of whether or not it enhanced the national prosperity.

In a paper published while he was still in graduate school, Carver critiques the writings of the Israelite patriarch Moses from the vantage of political economy. He is critical of what he considered two erroneous interpretations of Mosaic economic thought: first, that the Mosaic economy was fundamentally flawed and, hence, of no interest to contemporary researchers; and second, that the Mosaic economy reflects the divine and unchangeable will of God and is as valid now as then. Carver instead proffers "a more enlightened view of political economy," one in which "it is revealed that one set of economic laws may be very good under one set of circumstances, but very bad under another."⁵

He goes on to enumerate a number of economic laws and measures which were quite appropriate given the pastoral, semi-feudal setting of the time, but inappropriate for a modern society. Among the various measures and rules cited were usury laws, the Hebraic system of taxation, inheritance laws, the Sabbatical year, the year of Jubilee, land

tenure, and a system of wage labor. Commenting on usury laws and the exploitative characteristics of interest in a noncommercial society, he writes:

In a simple agricultural community, where every man is settled 'under his own vine and fig-tree;' where each household produces all that is necessary for itself, and where trade is only rudimentary; where division of labor has made no progress and the entrepreneur has not put in an appearance; finally, where capital, in its modern sense, is not thought of, there could be no need of interest. Borrowing could not be made profitable. The only man who would have occasion to borrow would be the one who had been unfortunate - whose crop had failed and left him destitute, whose ox had died and left him without a team to cultivate his ground. The man with money would receive no profit by withholding it; he could not use it, it would be only stored up. Under such circumstances there could be no occasion for demanding interest; to do so would be to take advantage of another's necessities. The principle of the law of Moses is to prevent just that thing, and upright men regard this principle as binding today.⁶

Despite the seemingly egalitarian characteristics associated with an interest free society, Carver is quick to note that such advantages are lost when applied to a modern commercial society. Indeed, just the opposite result is likely to occur. "It is certain that if interest were not allowed today money would not be loaned; only those who won it could engage in business, and the poor would remain poor forever."⁷

Carver makes similar comparisons between Hebraic laws concerning land tenure, servitude, taxation, etc. and their modern counterpart. The Year of Jubilee, a system of land tenure which required that all landed property be returned to the heirs of the original possessors every fifty years, was in Carver's judgment an excellent arrangement given the historical stage of Hebrew economic development. Since the rise of a feudalistic economic structure is commonly associated with a transition from a pastoral to a more permanent system of cultivation, long-term economic equality could only be maintained by an arrangement which precluded the rise of a permanent feudalistic order. Carver asserts, however, that such an arrangement when applied to a modern society, a society typified by migration and labor mobility, would have the paradoxical effect of establishing a

permanent landed aristocracy.⁸ Needless to say such a consequence is counter to the original spirit of the law, a consequence not always apparent to those who are all too willing to impose biblical economic principles on modern economic behavior and institutions.

The fact that Mosaic economic customs and laws are no longer suitable to modern society did not deter Carver from extolling the virtues of such customs. Quite the contrary, for he considered the egalitarian characteristics of the Mosaic economy to be quite commendable; indeed, so much so that he was prompted to write:

Unquestionably the greatest social problem of our times is the one presented by the phenomenon known as the congestion of wealth. Moses solved it for the Israelites; or, better still, his laws, if carried out, would have prevented the rise of such a problem. Men have a sort of instinct that the ancient precedents, customs, and usages by which we are governed are not suited to some of the problems of the present industrial age. It is this feeling that makes a demand for the mass of socialistic literature with which the land is flooded. All sorts of plans are proposed; but no Moses has arisen to give us a simple, direct and practicable solution of the problem which vex us.⁹

While egalitarianism and equality of opportunity would remain a central concern in much of Carver's later writings, a less obvious, but by no means less important concern, was the belief that religion should have an important role in shaping the economic system. This belief was implicit in much of his writing, and in several notable instances was the primary thrust of his argument.

In his "Economic Competition," Carver questions the commonly held "belief that competition is in spirit incompatible with ethics and religion," and the associated belief "that we ought neither to run for office, thus engaging in political competition, nor engage in business competition?"¹⁰ If taken to its logical conclusion, this would seem to imply that competition of any type, even a game of tennis or croquet, is incompatible with the spirit of Christianity, a perception completely at odds with practically every known

persuasion of Christian thought. He, therefore, rejects this view in favor of a more specialized type of competition - one which is conducive to Christian ethics. This he defines as competition which is engaged for the purpose of sport rather than gain.

Competition for the purpose of gain he considers to be selfish, destructive, and even vicious. Whenever and wherever "the rule is anything to win; everything is evaluated in terms of its relation to the one desideratum, namely, victory."¹¹ Those who adopt such an attitude will, if conditions or circumstances permit, go to any length to achieve their stated goal. He writes:

He who stands between me and the one desire of my heart is my enemy and I shall kill him if I can. For if there is one desire of my heart in terms of which everything else is evaluated, then everything which interferes with that desire I shall consider as a positive injury to myself. Everything which will contribute to that single overmastering desire has a positive value to me. This rule applies to every form of competition or rivalry, whether it be sport, love, war, or business.¹²

Since the single most sought after prize in business competition is money, Carver equates such single-minded behavior with the desire to acquire more money, or, its equivalent, to consume more goods. It is precisely this mode of behavior - namely, a desire to maximize consumption - that Carver never ceases to condemn, either in this article or in his other writings. Indeed, he describes such behavior as the "pig-trough philosophy" of life, a philosophy dictated by the exclusive goal of ever increasing consumption as the great end of life.

As an alternative, Carver posits the "work-bench philosophy" of life, a philosophy dictated by action and not possession, production and not consumption. Unlike the pig-trough philosophy, where competition for consumption is the source of much hostility and wasteful behavior, a work-bench philosophy disparages behavior which interferes with productive action. Production becomes the objective, and those who enter into competition do so for the sake of sport, competitive spirit or simply a desire to be productive. "If I

possess this philosophy," Carver writes, "my enemy is not the man who plays against me in a game, but the man who refuses to let me play at all," or from the perspective of business, "my enemy is not the one who tries to win in industrial competition, but who tries to keep me from working or competing at all."¹³

It is noteworthy that Carver considers the dominant philosophy to be a cause rather than a consequence of the economic environment. Commenting on the causal consequences of the pig-trough philosophy and the futility of changing the economic environment in the absence of a corresponding change in the underlying philosophy, he writes:

If the world is dominated by the pig-trough philosophy, competition is not only inevitable, but it will invariably take on the morals of the pig-trough and become unethical and unchristian. But it would be a futile to attempt to correct this by doing away with industrial competition so long as the same philosophy of life dominated individuals... Merely changing the machinery of government, of the methods of holding property, of conducting industry, would in no way alleviate the grim and deadly character of that rivalry.¹⁴

In a community dominated by the work-bench philosophy, on the other hand, "competition loses its unethical and unchristian character and comes to be the very expression of the highest ideals of Christian ethics." Carver goes on to declare: "Every single statement or pronouncement by the founder of Christianity on the subject of wealth, industry and property is in the strictest harmony with this point of view." Christ, he adds, never once condemned private property or the acquisition of wealth, "but on every occasion he showed his disapproval of selfish consumption."¹⁵

In his "Socialism and the Present Unrest," Carver extols the virtue of the Indiana farmer who produces for reasons other than mere consumption, and criticizes those who find such behavior peculiar and perhaps even laughable. Carver is quick to chide such individuals, noting "that no great religious or moral teacher ever said that we were here for a good time, or that it was our purpose to get as much as out of the world as possible." Quite the contrary, "They have even gone to the absurd length of suggesting that we

should put as much into and take as little out of the world as possible, which means literally that we should produce or serve as much as possible and not stop serving in order that we might consume."¹⁶

In the same article, Carver tells the story of another Indiana farmer whose behavior is more in accordance with that of the pig-trough philosophy. After he had stored up much wealth he decided to retire and enjoy the abundance of his produce. In an obvious allusion to a biblical parable, the farmer, as told by Carver, "remarked to his soul, 'Soul, take thine ease; thou has much goods laid up for many years. Eat drink and be merry.'" The fate of this person is well-known and serves as a teaching "that men should continue to produce, that is, serve, and not give themselves over to useless consumptions, which is self-indulgencies."¹⁷

The above references to biblical text provides a religious foundation for Carver's dichotomous distinction between appropriate and inappropriate economic behavior. While such foundational treatment of religious beliefs and scripture was not uncommon in 19th century American economic thought, his treatment of the subject was unique in that Christianity represented more of a means to promote ever higher levels of production than an end in his overall schema. But to what end?

The answer to this question as well as the unique role of Christianity in realizing this objective is found in a number of his many writings on social Darwinism and national survival. In a review of Simon Patten's *Social Basis of Religion*, Carver takes issue with the doctrine of regeneration and instead posits dominion of the earth as the abiding purpose of religion. He writes:

It is not sacrilege nor irreligion, but red-hot religion, to urge that the development of a sound religion, supporting a sound system of morality, is as much a factor in the struggle for existence and the survival of human types as the development of any of the physical characteristics which the biologists have explained at such length as affecting the survival and adaptation of any of the animal types. That group, that nationality, or that race which develops a religion and a system of morality which economize human

energy in the highest degree, which direct that energy in the most intelligent and productive manner, will survive and dominate the earth to the exclusion of those social groups, nationalities, or races which waste their energy or direct it unintelligently or unproductively.¹⁸

Similar sentiment is echoed in Carver's article "What is Justice?" In this work he criticizes positive law, social sentiment, public opinion and other types of "mistaken notions of justice" which are likely to result in "national weakness, and, if they continue and accumulate, national death."¹⁹ Instead he conjectures that the task at hand is "to find out what political and social acts will facilitate our adjustment to the material universe in which we find ourselves, and make our society a strong rather than a weak society."²⁰

The actual process by which this is carried out should be left to the "preacher of righteousness." This group of individuals of whom Carver considers himself to be a prominent spokesman is called on to "create such mental and spiritual conditions within the people as to enable these acts which facilitate the process of adaptation to create the sentiment of approval, and those which hinder adaptation to create the sentiment of disapproval among the people."²¹

Carver even goes so far as to equate the biblical concept of righteousness with national prosperity and dominion. "The dictum, 'Righteousness exalteth a nation' means, from this point of view, that whatever in the long run exalts a nation is righteousness, ..." ²² By equating righteousness with national exaltation, he effectively demolishes the fashionable view that progress through competitive selection is in essence antithetical to Christian thought. Indeed, Carver argues that 'survival of the fittest' is supported by Christian doctrine and that the very concept of redemption is applicable to those very people who have "formerly loved evil and shunned good." Those "who reject the call to the productive life," on the other hand, "must be eliminated by the sure process of economic competition." To prevent this outcome is to doom "the social group, the nation, or the race whose system of morality or whose religion, exercises itself to keep then alive" He goes on to assert: "If this rejection of the call to the productive life does not constitute sin

against the Holy Spirit, it certainly produces exactly the same result, for there is no salvation from this sin."²³

Carver gradually synthesized and expanded the various elements of his religious and sociological thought into a formal religious doctrine. The product of this effort reached its full fruition in a book entitled *The Religion Worth Having*. Published in 1912, this small, populist tract spurns the belief that religion is a purely subjective subject and instead advances a utilitarian framework for selecting the religion destined for world dominion.

Carver initiates the discussion by noting that religion has an objective as well as a subjective element. "If, in short, it [religion] is a positive factor in social and economic development, it should be the rarest chance that any two forms of religion should be, and it is inconceivable that they should all be of precisely equal value." It thus follows that if an individual were "sincerely patriotic," he would evaluate religion in an objective manner so as to ascertain which contributes most to social and economic development. "The teacher of such a religion," Carver writes, "could say with the utmost literalness, and without the slightest taint of mysticism, 'I am come that they have life, and that they might have it more abundantly.'"²⁴

Carver identifies two criteria for assessing whether or not a religion promotes social and economic development. First, it should act as a spur to energy; second, it should direct that energy most productively. He observes that while pagan religions are much more adept at performing the first of these functions, modern religion is unequalled in directing energy economically and productively. The objective, he suggests, is to reshape or fashion a religion so that it meets both criteria, or, in his word, "the problem is to restore the religion of today to its original potency as a motive force, and to combine with this the broad intelligence with which modern religious organizations are directing their rather feeble and half hearted efforts."²⁵

A religion which meets both criteria will give rise to a "dominating spirit," a spirit of economic behavior which will allow a "religion, whatever its name, any system of morality, whatever its origin, any civilization to hold dominion over all others or exterminate them altogether."²⁶ Religion, in Carver's thought, is therefore subject to the same forces of natural selection as is society and will either prosper or decline depending on whether or not it fosters a productive society, community, or individual. Commenting on this process he declares:

... The religion which enervates or subdues the spirit of a people, which does not develop their energy, or which wastes their energy in a kind of effort which does not support life or support it abundantly, will fail because it will cause the failure of the people who are handicapped by it. But the religion which stimulates to high endeavor and develops the latent energy of its people, and directs that energy wisely and productively, will have success and hold dominion over the world.²⁷

The same process is also evident at the individual level:

As to religion, however, the advantage must be on the side of those who put their faith in a God of law and order, whose will is expressed in the observed uniformities of the objective universe. The whole life of such people will consist in an intelligent effort to adjust themselves to the will thus expressed. They who have other gods before this God, who put faith in a god of whim and caprice, who expect to win favor of their god, and by this favor, success for themselves, through charms, incantations, amulets, rabbit's feet, and comet pills, will fail, and their sins will be visited upon their children as long as their children last - say for three or four generations, that is, until their more efficient competitors drive them to the wall.²⁸

Carver was obviously aware that such references were clearly out of touch with traditional religious doctrine. It was perhaps for this reason that he approached his subject in an almost apologetic fashion, quoting or referencing a number of scriptural passages in support of his thesis. He reminds the reader of the account given in Genesis "to be fruitful and multiply and people the earth and subdue and have dominion over it." He goes on to declare: "It would be an illogical kind of religion which would begin by issuing this

command, and then defeat itself by unfitting its adherents for the accomplishments of the end in view. The religion worth having is the religion which will enable its adherents to accomplish that grim purpose."²⁹

Carver also relies on biblical text to support his contention concerning the relative merits of a pig-trough and work-bench philosophies of life. It is "clear and obvious," he says that "... the parable of talents ... does not cause the slightest difficulty to one who accepts the work-bench philosophy, and who regards wealth as tools for further production rather than as means of self-gratification." In stark contrast, those who advocate the pig-trough philosophy have never adequately come to terms with the meaning of this parable and have "invented mystical interpretation to avoid the plain and obvious economic meaning which it was intended to convey." It is utterly illogical that the "Kingdom of God ... would not take the talents from the men who could not use them productively and give them to the men who had shown the greatest capacity to use them to the advantage of the Kingdom."³⁰

In yet another example, Carver equates his utilitarian method with the teachings of Christ. He writes:

He who gives much and takes little, whose service exceeds his demands by the largest margin, is greatest in the kingdom. The Kingdom of God, as set forth by its greatest expounder is nothing more nor less than a kingdom in which this principle of valuation prevails. That is the only objective characteristic of the kingdom which he ever emphasized.³¹

Passages such as these would seem to suggest that Carver was predisposed towards Christianity as "the religion worth having." In deference to objectivity, however, he refrained from acknowledging any such bias and maintained through the body of the text that any religion which promotes the productive life and eventually dominates all others in

the competitive struggle is divinely ordained and, as a consequence, subject to unqualified approval. He writes:

Another conclusion which forms a necessary part of this religious belief, is that the laws of natural selection are merely God's regular methods of expressing his choice and approval. The naturally selected are the chosen of God. The nation, or that people, whose average individual character and conduct and whose social institutions and customs are such as to make them strong in competition with other peoples, and able to spread over the earth and subdue it and have dominion over it, becomes, by that very fact, the chosen people, whatever their name, language, or religion.³²

Towards the end of the book Carver applies the methodology he has set forth to identify the religion worth having. He suggests that the early Judaic religion was much too revolutionary on the one hand and passive on the other to subdue the earth. This role was left to the religion espoused by a solitary Galilean carpenter. "Like all other desirable results," Carver writes, "it would come in harmony with the uniform operation of God's will, and in no other way."³³

Christianity was selected not only on the basis of conformity with Carver's notion of divine selection, but also because of historical evidence. He writes:

In this observed uniformity the Protestant churches may learn an awful lesson. It is no accident that every Protestant country has outstripped every Catholic country, just as every Catholic country had outstripped every pagan country. Nor is it any accident that in Protestant countries religious people, especially those of the stricter sort, have as a rule outstripped the irreligious people. If these things be accidents, they occur with an amazing uniformity which would be hard to explain.³⁴

Carver appears to be suggesting that the selection of Christianity was simply a matter of empirical observation. He even goes so far as to acknowledge that Christianity could fail to realize or retain world dominion, writing: "If the Christian fellowship be

comes a fellowship for the promotion of the productive life, then Christians will become more productive If that should happen, this will be a Christian world; otherwise it will not."³⁵

Despite such proclamations of neutrality Carver's method of exposition, exhortative rather than dispassionate, as well as the numerous references to biblical text, leads one to suspect that he was predisposed towards Christian thought. Indeed, at the very end of the book he eschews the role of social scientist in favor of social reformer, exhorting Christians to not only accept his doctrine, but to rise to the challenge. He writes:

The new crusade ought to fire the zeal of the Christian as no old crusader's zeal was ever fired. The task is not the trivial one of rescuing holy sepulcher from the hands of the infidel, but the vastly greater and more worthy one of rescuing the farms, the shops, the business affairs, and the governments of the world from the hands of the unproductive, which means the immoral, the unchristian If Christians make themselves worthy to receive the world by making themselves more productive than others, - able to use the resources of the world to better advantage than others, - then the world will be actually delivered into their hands, not by miraculous intervention, that is, not by some sudden and unusual manifestation of divine power, but by the sure process of economic law, which is, properly understood, the regular, uniform, everyday manifestation of divine power.³⁶

The above paragraph raises an interesting question; for if the religion worth having is, as claimed by Carver, simply a function of natural selection, than why does he feel compelled to exhort Christians to live the productive life. Indeed, one would suspect that if Christianity were truly the dominant religion in terms of productive power, all such exhortations would be superfluous. By similar reasoning, if Christianity is not the dominant religion than any effort to raise Christian consciousness or exhort Christians to live the productive life would be futile. If this be the case, then Carver's call for a new type of Christian morality and activism remains a mystery.

There are several explanations, however. First, it is quite conceivable that he did in fact consider Christianity to be the dominant religion from a purely objective standpoint,

but considered this realization to be in need of popular promotion so as to hasten the process. Alternatively, he may have eschewed true objectivity, perceiving the entire process as more of a means than an end. According to this view, the struggle for religious as well as national dominance was well underway, and considering the fact that his country was Christian in orientation and not apt to change any time soon, he may have perceived his role as that of preparing the nation for the inevitable struggle which lay ahead. He was undoubtedly aware that a process which selected a religion other than Christianity would, despite the seeming neutrality of the approach, be much less well-received and, as a consequence, counterproductive. Carver may have been too much of a patriot and purveyor of ideas to sacrifice the overall objective of his thought on the altar of scientific objectivity.

Finally, it would probably be too much to expect a person who had been a practicing Christian throughout all of his life to renounce his beliefs or promote another faith solely on the basis of a dispassionate study of historical evidence. For this reason - and perhaps for this reason only - Carver religious thought could be considered as more of a theological doctrine than as a sociological assessment of the appropriate role of religion in society.

Footnotes

- ¹ Carver, Thomas N., *Recollections of an Unplanned Life*. Los Angeles: Ward Ritchie Press, 1949, pp. 11-12, 91-93; Sills, D.L. (Ed.), *International Encyclopedia of the Social Sciences*, Macmillan Free Press, 1968, pp. 329-330; Palgrave, R.H. Inglis (Ed.), *Dictionary of Political Economy*, 3 volumes, London, 1987, pp. 374-375.
- ² Carver, Thomas N., "The Place of Abstinence in the Theory of Interest" *Quarterly Journal of Economics*, October 1893, p.354.
- ³ Carver, Thomas N., "What is Justice?" In Thomas Nixon Carver, *Essays in Social Justice*, Cambridge, MA: Harvard University Press, 1915, pp. 17-19.
- ⁴ Carver, Thomas N., "The Cure for Poverty" In Thomas Nixon Carver, *Essays in Social Justice*, Cambridge, MA: Harvard University Press, 1915, pp. 358-359.
- ⁵ Carver, Thomas N., "Moses as a Political Economist," *The Methodist Review*, July 1892, p. 599.
- ⁶ *ibid.*, p. 599-600.
- ⁷ *ibid.*, p. 600.
- ⁸ *ibid.*, p. 603-604.
- ⁹ *ibid.*, p. 605.
- ¹⁰ Carver, Thomas N., "Economic Competition" In Thomas Nixon Carver, *Essays in Social Justice*, Cambridge, MA: Harvard University Press, 1915, p. .
- ¹¹ *ibid.*, p. 126.
- ¹² *ibid.*, p. 127.
- ¹³ *ibid.*, p. 128.
- ¹⁴ *ibid.*, p. 129.
- ¹⁵ *ibid.*, p. 129.
- ¹⁶ Carver, Thomas Nixon, "Socialism and the Present Unrest." In Carver, Thomas Nixon, *Essays in Social Justice*, Cambridge, 1915, p. 290.
- ¹⁷ *ibid.*, p. 290.
- ¹⁸ Carver, Thomas N., "Review of Simon Nelson Patten's *Social Basis of Religion*," *American Economic Review*, December, 1911, p. 793.
- ¹⁹ *op cit.*, Carver, Thomas N., "What is Justice?" p. 11.
- ²⁰ *ibid.*, p. 31.
- ²¹ *ibid.*, p. 31.
- ²² *ibid.*, p. 31.
- ²³ *op cit.*, Carver, Thomas N., "Review of Simon Nelson Patten's *Social Basis of Religion*," p. 793.
- ²⁴ Carver, Thomas N., *The Religion Worth Having*, Boston, 1912, p. 12.
- ²⁵ *ibid.*, p. 15.
- ²⁶ *ibid.*, p. 18.
- ²⁷ *ibid.*, p. 23.
- ²⁸ *ibid.*, p. 90.
- ²⁹ *ibid.*, p. 22.
- ³⁰ *ibid.*, p. 50.
- ³¹ *ibid.*, p. 76.
- ³² *ibid.*, p. 89.
- ³³ *ibid.*, pp. 120-121.
- ³⁴ *ibid.*, p. 96.
- ³⁵ *ibid.*, p. 127.
- ³⁶ *ibid.*, p. 137.

John Bates Clark

John Bates Clark was by all accounts the most noted and accomplished American economist of the late 19th century. While his contributions span a broad spectrum of issues including social philosophy, historical and evolutionary economics, trusts regulation, capital theory, and international peace, he is best remembered for his seminal work in marginal productivity theory and income distribution. Indeed, his colleague and friend Professor ERA Seligman considered his contributions in this latter area to be of such notable importance that he placed him "among the six leading economists of the Nineteenth Century."¹ While accolades such as this are numerous and well-deserved, there was another element of his thought which has received scant recognition; namely, the role of religion in social and economic development. It is to this latter area we now turn.

Clark was born on January 26, 1847, in Providence, Rhode Island, a descendant of a long line of Congregational ministers and devout church-goers. His early home life has been described as one of "living in graciousness, tolerance, and freedom, coupled with a definite purpose and desire to serve God and be loyal to His commandments." He attended high school in Providence and upon graduation enrolled at Amherst College in 1867. Due to his father's ill health, the family moved to Minnesota, requiring Clark to drop out of college so as to pursue a partnership with his father in the management and operation of the family plow business. Upon his father's death, Clark sold the business at a profit and returned to Amherst, graduating with highest honors in 1872.²

It was his instructor of Mental and Moral Philosophy at Amherst, Julius Seelye, who convinced Clark to pursue a career in political economy. Following Seelye's advice, Clark was the first of a long line of American scholars to study in Germany. Upon his return from Germany, where he had the good fortune to study under Karl Knies, he accepted his first academic position as a lecturer at Carleton College. Due to illness he was forced to leave Carleton for a two-year period. He returned, however, as professor of

history and political economy in 1877. In 1881, he accepted a position as professor of political science at Smith College, a position he held until 1893. Two years later, he was appointed professor of political science at Columbia University. It was at Columbia that Clark established a reputation as one of America's most influential economists. Upon retiring from Columbia in 1923, Clark continued to take an active role in issues related to economics, public policy and international peace - his last work *A Tender for Peace* was published in 1935, three years before his death at the age of ninety-one.³

Over an approximate twelve-year period, starting in 1877, Clark published a series of articles in the prestigious journal *The New Englander*. While the substance of these articles is quite diverse - among the issues considered were Henry George's single tax, labor problems, socialism, income distribution, business ethics, anthropology, psychology, business ethics, trusts and combinations, and religion and morality - Clark manages to weave together a rather novel vision of human history and economic relations.

In the first of these articles, "The New Philosophy of Wealth," he emphasizes the apparent shortcomings of classical political economy and underscores the need to "broaden the conceptions of wealth, as the subject of the science, to find a place in the system for the better motives of human nature, to construct a new theory of value, to apply at all points the organic conception of society and to suggest other connections."⁴ A similar theme is advanced in subsequent articles whereby evolving economic conditions "call for a new political economy and a new system of practical ethics."⁵

As a starting point, Clark posits a different conception of man than that postulated in classical political economy. "The only right course of action," he writes, "... is to begin at the beginning and determine by investigation that nature of man, ..." The issue is not whether "existing conclusions be true or false," but "to attain the same one [conclusion] by a more legitimate method." This, in Clark's estimation, could be accomplished by constructing a science based on the "permanent foundation of anthropological fact." One in which man is actuated by "higher psychological forces" and resembles "the man who

God has created." The latter is in Clark's words "the only true subject of political economy."⁶

Not only should economic science reflect "the better motives of man," but it should endeavor to account for changes in human economic behavior. The man of antiquity was not the man of early 19th century England, nor is the latter identical to the man of late 19th century America. Man is affected by and acts upon his environment; he is influenced by social and moral beliefs which are motivated, in part, by divine providence; he is a product of history and prevailing economic relations; he is in Clark's words "transformed in his whole being by the unifying process of social development."⁷

Not surprisingly, the individualism lauded by Smith, Ricardo, Senior, Mill and others was, in Clark's judgment, overly myopic. Classical political economy simply mirrored the economic relations over the past century and failed to account for recent or impending changes in economic and social relations. The failure of economic science to recognize or account for change not only dated it in terms of evolving social relations, but placed it in the apologetic position of supporting an outmoded anachronistic economic order. He writes:

The science of Political Economy has been traditionally based on the assumption of unrestricted competition. This is essentially a self-seeking process, and the science was, therefore, avowedly based on selfishness in the individual man. In so far as men were purely selfish their actions could be predicted, and laws of industry could be formulated. The first evil resulting from this method was a certain unreality in the science. It did not correspond with the facts of life. When competition was at its worst the man of business never became the morally desiccated creature that the scientific formula called for. The second evil was practical; it was a certain reaction of the scientific tendency upon actual business methods. It is an ancient bit of humor that the theological doctrine of total depravity is not one that is well adapted to become a practical rule. They have legitimized it, and given the sanction of scientific approval to the baser impulses that, in human nature, need no such assistance.⁸

Clark considered the latter result to be especially pernicious insofar as it justified exploitation and, in so doing, divided the nation and the church along class lines.

As an alternative to classical political economy, Clark posits an historical approach to economic theory: a paradigm whereby society is influenced and shaped by the ebbs and tides of history; where ever evolving economic relations are a product of moral development; where the church plays an instrumental role in the development of morality and, hence, society itself; and a system where society is shaped and influenced by providence, and which after a long evolutionary period will be characterized by a spirit of fraternity, harmony, cooperation and egalitarianism.

The complex relationship between divine providence, economic organization, social morality and economic behavior, is represented in Clark's historical approach to economic science. History according to Clark moves in "a circle whose center is also moving." While the "same phenomena may recur indefinitely, ... at each recurrence the whole course of events will have advanced, and the existing condition will have its parallel, though not its precise duplicate, in some previous condition." Thus, fraternal social relations evident during the Middle Ages and antiquity "afford some evidence that this moral force will do similar work in the modern world."⁹

While the circular theory of history evident in Clark's early thought was not unlike that expounded by the German historical school and to a lesser extent by its English counterpart, his thought was unique insofar as it was premised on a biblical account of history. The origins of economic behavior could, according to Clark, be traced to the story of Adam and Eve and the fall as recorded in the book of Genesis. Before the fall, Adam resided in a "primitive paradisaical state where he was conscious of no artificial wants and where he supplied his few natural wants from the gratuitous productions of tropical nature." With the fall, however, "he became conscious of his simplest artificial want, and of the necessity of supplying it by making nature serviceable." Man thus "passes to the state of actual development, ..., and it is here the injunction is laid upon him, the fulfillment of

which involves his whole economic development,.."¹⁰ Man is destined by "the law ... written within him ... to 'replenish the earth and *subdue* it.'"¹¹

Working in isolation Adam and Eve could only satisfy the most basic of wants. As man multiplied, however, it became evident that economic cooperation would allow him to satisfy a greater diversity of wants. Wants could thus be expected to proliferate with economic development. Clark also identifies man's level of moral consciousness as a determinant of his wants. As man's moral nature evolves, so does his desire for higher wants. "Men's wants are not merely multiplied; they are spiritualized."¹²

Clark's theory of economic development is pregnant with implications. At a cursory level, economic development is a natural phenomenon, a result not uncommon to economic science. At a deeper level it lends credence to Clark's assertion that the "solidarity of society is a primary economic fact," and that "society is not merely like an organism; it is one in literal fact."¹³ Finally, it implies that progress is divinely mandated; that is, the economic and social development which were set in motion at the time of the fall are destined to culminate in the restoration of the Kingdom of God. The restoration of paradise is in Clark's words "the ever receding goal of progress."

The Genesis account also provides a second element in Clark's thought; namely, the origin and development of human morality. With the eating of the fruit from the "tree of knowledge of good and evil" man attained a "rude perception of right and wrong." With each ensuing generation this knowledge continues to increase until man reaches what "in religious terms is called the Kingdom of God."¹⁴ Social and economic development is thus accompanied by a corresponding rise of vice and virtue. If God's divine plan is to be brought to a state of fruition, the latter must offset the former. Otherwise human behavior will be increasingly characterized by selfishness and moral depravity.

As a counter to such behavior, Clark identifies two types of virtue: "mere altruism" and "higher altruism." Commenting on the former, he writes:

Social differentiation is division of labor, a thing which has but a rudimentary existence in the most primitive tribes, which develops in the intermediate types, and is carried to an indefinite extent in high civilization. In everything that can be termed a society a traceable degree of interdependence exists among the members; and, with advancing civilization, each member labors less and less for himself, and more and more for the social whole. This is economic altruism, to the future development of which no limits can be assigned.¹⁵

Man is also motivated by a higher type of altruism. This latter type of altruism is characterized by "Christian love" and together with "mere altruism" increasingly offsets and eventually dominates human selfishness. Commenting on the "controlling influence" of both types of altruism, Clark writes:

Closely connected with the growth of mere complication of social structure is the growth of specific vices and virtues... Social relations, wants and want satisfactions, sins and virtues multiply in corresponding degree. Together, therefore, with mere altruism, the economic principle by which man, in self-interest, is led to work for others, there grows, in controlling influence, the higher altruism of unselfishness. Society of the highest type is not merely differentiated and cephalized. There is, indeed, in high civilization, increasing division of labor, and a progressive control of the social body by a thinking organ; but there exists, in as marked a degree, a growing subordination of brain and members to the dictates of moral law. This is the great and neglected economic fact of modern times.¹⁶

Altruism as described here gives rise to social morality or social consciousness. A term Clark refers to as a "sense of right." Since this "sense of right" determines economic behavior and dictates social relations, it is an instrumental factor in the development of the economic order. As a "sense of right" evolves in response to the development of man's altruistic nature, society will likewise evolve. An evolving "sense of right" thus gives rise to successively higher levels of social development and moral enlightenment.

A by-product of this process is the evolving pattern of "moral law." From the earliest recorded writings one observes a process where man imposes restrictions or laws upon himself and others in accordance with prevailing moral values. While the nature of such laws obviously vary over time, there is one element of commonality: they abridge, limit, or otherwise interfere with man's self-seeking competitive nature. Commenting on the similarity between moral proscriptions adopted during primitive times and more recent restrictions on unbridled competition, Clark writes:

The power of conscience was effective, in primitive times, in producing this important result; it induced an inclination to abandon the practice of cannibalism, to search for means for its abolition, and to use such means as quickly as they might be presented. The desired opportunity offered itself in the transition from the primitive to the nomadic mode of living; and in this condition the public sense of right proved effective in the more or less complete suppression both of the eating of prisoners and of the killing of them for any purpose. The sense of right in men thus effected a social revolution, and produced an economic effect, which was of the nature of a restraint on unlimited competition. At first men competed with each other, in primitive fashion, for the possession of their own bodies, and he who bid highest, in the way of hard knocks, became the eventual possessor. The public conscience, in suppressing this particular mode of economic action, imposed on competition the first of a series of restraints, which series is by no means completed at the present time.¹⁷

The entire process of human development in Clark's early thought could thus be viewed as a relentless struggle between selfish competition, on the one hand, and a desire for nobler and more humane social and economic relations, on the other. He goes on to write:

Pure selfishness would produce such savage competition as we have noticed. Selfishness moderated by a public code of right produces competition of a milder sort. Selfishness completely subjected to an enlightened conscience would produce results of different kind from say which political economy is accustomed to consider. It is a dangerous mistake to extol competition, as such, too highly, and to regard all attacks upon it as revolutionary.¹⁸

Given Clark's less than enthusiastic endorsement of competition, it should come as no surprise that he was quite critical of the economic order as it existed in late 19th century America. Unbridled competition was, in his judgment, gradually giving way to an oligopolistic system of production. Whereas competition during its initial phase of development "had demonstrated its capacity for dividing products with a certain approach to justice," and "commended itself to men's sense of right," competition during the latter part of the century had become "unbalanced." The consolidation of capital and business had placed labor at a distinct disadvantage, or, in Clark's words: "The competition which depresses wages is indefinitely stronger than that which raises them."¹⁹

Oligopolistic capitalism also gave rise to class distinction, class hatred and socialist doctrines; a state of affairs which, at least in Clark's assessment, threatened the very survival of the nation. Commenting on labor unrest and civil disturbance, he writes:

... No social disturbances which we have as yet experienced compare in their evil effects with the poverty, ignorance, and brutality which are the causes of those disturbances, and which, whether they result in riotous outbreaks or not, can ultimately mean only death to the nation. To violently repress the outbreaks, while giving ourselves no concern about the greater evils which are their cause would be murderous on our part; it would be virtually erecting a wall of bayonets, and then driving our fellow citizens bare-breasted upon it. Let us avoid this responsibility.²⁰

Finally, Clark was critical of an economic order which coerced otherwise morally conscience citizens to adopt or mimic the morally repugnant practices of their competitors. Competition, when "Carried to unnatural lengths ... produced a moral distortion in men..." It compelled them to "take a lower moral plane than they would consent to occupy in any other relation." The modern businessman had become "morally dualistic, having one code of ethics for social and family life, and another for the place of exchanges... He was Dr. Jeckyl in the home, the drawing room and the church, and Mr. Hyde in the counting house."²¹

For these and other reasons, oligopolistic capitalism did not, in Clark's mind, comport with men's emerging sense of right. A new sense of right was replacing the old. Society would no longer tolerate poverty, ignorance, moral duality, maldistributions of wealth, class antagonism, and the separation of the church, schools, and social institutions from economic decision making. "The era of abnormal competition was, in short, "drawing toward its close." "Individualism of the extreme type has had its day."²²

In its place Clark identified a new economic order, one characterized by combinations and trusts, on the one hand, and organized labor, on the other. Together these two collective agents could be expected to battle in the economic realm over issues such as wages, working conditions, etc. Clark considered the resulting changes to be an improvement over the previous "era of abnormal competition." Commenting on the rise of labor unions and combinations and the resulting change in wage determination he writes:

The permanence of the fact of labor organization is nearly as obvious as the justice of the principle in which it is based. The unions have come to remain, and are certain to strengthen and consolidate. They will learn by experience that their true end is not belligerent, and will endeavor to perfect the new system of distribution. Individual competition of the old type is definitely abrogated. 'Where two bosses are after one man,' said Richard Cobden, 'wages rise; where two men are after one boss, wages fall.' This rule was adapted to a business system, in which little detached shops made goods each for its local market. Consolidate the shops in the great corporations, and you destroy the conditions in which the rule can operate; you suppress the competition on one side. Organize the workman, and you balance the forces; but you complete the abrogation of the old rule. Thenceforth, the adjustment of wages will not be a question of man dealing with man, but of masses of men dealing with other masses. Competition, then, as a regulator, is in its old form abolished. In a greatly modified shape, which it would be interesting to study, it is reappearing; but now it is the agent and assistant of another regulator of a directly ethical character.²³

The new and emerging system of wage determination and fixed schedule prices would also temper the severity of competition, and provide the business man with a "partial escape from the inexorable law that developed in him a dual morality, and made it

harder for a camel to pass through the needle's eye, than for a man of the market to obey therein the laws of Christ's kingdom." Clark considered this partial escape to be an "immense gain from recent developments " The extent of which can only be "appreciated by those who realize the blight that personal morality has suffered, and who perceive of how vital consequence it is that the Christian man should be enabled to serve God while doing business, instead of feeling constrained to devote himself to God and mammon alternately."²⁴

Despite the resulting improvements in working conditions, income distribution, moral behavior, social relations, etc., Clark considered the emerging economic order to be only a transitional step toward a more permanent and more harmonious economic order. While a system whereby decisions are rooted in the relative bargaining strength of opposing collective agents was an improvement over the previous system, Clark considered it a rather crude, unsophisticated means to establish economic justice. He writes:

Equalize the conditions by completely organizing both labor and capital, perfect both the pools and the affiliated labor unions, and you close the alternative on both sides, and make adjustment of the wage contract apparently a process of crude force.²⁵

Despite such drawbacks, crude bargaining was in some measure the product of popular support or sense of right. "It is not crude force only" which characterized and motivated the emerging order, but also "a crude appeal to equity." "The moral forces of society are," in Clark's words "at work in the industrial field... it remains to direct the manner of their working."²⁶

This latter remark obviously implies that Clark considered the path of evolutionary development to be within the realm of human control. He, in fact, identifies two potential paths: one typified by what he referred to as political socialism, the other by "true" or Christian socialism. While he considered the evolutionary outcome associated with the latter to be the more likely outcome, he acknowledges and, indeed, admonishes his

readers that the former is a distinct possibility. If this outcome should prevail, society would face a number of dire consequences including class hostility, violent insurrection, a drift toward moral nihilism, loss of freedom, and a loss of divine blessing. Commenting on the distinction between political socialism which he opposed and "true" socialism which he favored he writes:

... Political socialism demands that the government shall own the capital of the country, and that the proceeds of its use shall be divided according to principles of abstract justice. There is no harm in this as an ideal but there is ruin in it as an immediate practical aim. It is not only best that we should tend toward this ideal, but it inevitable that we should do so; yet it is insane to try to reach it at once. Here is the dividing line between the false political socialism and the true; the one sees an ideal, and would force humanity to it through blood and fire; the other sees the ideal, and reverently studies and follows the course by which Providence is leading...²⁷

Clark attributes the support given to political socialism to impatience and an erroneous view of the perfectibility of man. Impatience prompts the idealist to seek an immediate solution to social problems, often at the expense of liberty and justice. A misunderstanding of human nature, on the other hand, often leads to utopian plans which would be "practicable if men were morally perfect."²⁸ What proponents of political socialism fail to realize is "that moral influences have for their particular and legitimate function to suppress the remnants of natural ferocity which show themselves in the economic dealings of man with man."²⁹ Social development will, indeed, reach the utopian stage envisioned by the idealist. But it must follow rather than lead moral development, otherwise the lot of humanity will deteriorate rather than improve.

As an alternative to political socialism, Clark advances an alternative scenario for future development, progress premised on "true" or Christian socialism. A distinctive feature of true socialism is that it would tend "not to abolish the right of property, but to vest the ownership of it in social organization, rather than in individuals." "The object of the

movement," Clark writes, "is to secure a distribution of wealth founded on justice, instead of one determined by the actual results of the struggle of competition"³⁰

A society constructed on such principles would be characterized by fraternal and harmonious social relations, greater income equality and the reintroduction of moral considerations into the productive realm. The crude bargaining between labor and capital would give way to more systematic and moral methods for resolving labor and social disputes.

Clark looked to arbitration, cooperation, and profit-sharing or perhaps some combination of the three as the most likely types of economic organization. The method which prevailed in the end would be determined by an evolutionary process. "The solidarity of labor," he declares, "calls imperatively for arbitration, in the adjustment of its claims, ..." This in turn "accustoms the public mind to accept a standard of wages determined by justice rather than by force." "If arbitration," however, "concentrates the attention too much on mere division of the product" and not on the establishment of justice, then "profit-sharing may outlive it." The latter may, in turn, be replaced by cooperation if it too fails to adequately comport with men's sense of right: "full cooperation" would then prove to be the "ultimate survivor."³¹ Society will thus tend to follow moral law, "a law which will open before it a continuous growth in righteousness."³²

Clark considered the principles of arbitration, profit-sharing and cooperation to be "in its different forms ... the Christian socialism of Maurice, Kingsley, Hughes."³³ It should therefore come as no surprise that he expected Christianity to play an instrumental role in the emerging economic order, serving as a force for social change and playing an important role in the mediation, design, and operation of modern institutions. Commenting on Christianity as a leading force for change, he declares:

The face of the world is changing in a way that alarms the superficial observer, but inspires him who sees deeply and clearly. It is Christianity that is entering the industrial world, bringing, at the outset, a sword, but in the end, peace and the possibility of human brotherhood.³⁴

In addition to a passive role as an initiator of evolving moral values and social change, Christianity could also be expected to play a more direct role in the emerging social order. It would, perhaps in conjunction with other institutions, act as a mediator in labor disputes and wage negotiation. It would facilitate social cohesion, diminish class distinction, and promote a higher level of social consciousness whereby individualism would be replaced by an organic conception of social relations. As an example of "applied Christianity," Clark points to the "wise efforts" of Dr. Washington Gladden in Connecticut. He writes:

The Secretary of the Connecticut Valley Economic Association lately made a tour of the Hocking Valley, where a desperate effort was recently made to crush labor unions altogether. He found that events had led employers to reverse this policy; they are now at work extending and perfecting the organization of their men. All are rejoicing in results thus far gained. In this desolated region there is now peace and a fair measure of prosperity. It is said that this outcome has been hastened by the wise efforts of Dr. Washington Gladden, and it is certain to be hastened, wherever similar troubles prevail, by the 'Applied Christianity' which he has taught. The crisis is general, and the opportunity that is opening for the school and the church, for men of study and men of business, is correspondingly great. A ship freighted with human destiny is driving before the wind, impelled resistlessly and steered blindly. If there are principles governing the navigation of it, how carefully they should be studied! How earnestly they should be applied!³⁵

Similar sentiment is expressed in a review of Richard T. Ely's *Labor Movement*, where Clark praises Ely for recognizing Christianity "as the ultimate force and the church as a chief agency for insuring the peace and welfare of economic society." The book "will commend it to those who view with apprehension the estrangement between the church, as now organized and conducted and the working class." "Social unity through an understanding of God's will obliterates the dividing lines in industrial society." This, Clark writes, is "the essential principle of cooperation."³⁶ It is only through such cooperation that the church can "retain the allegiance of the coming generation."³⁷

The impending transition toward a system of economic organization characterized by arbitration, profit-sharing and cooperatives should not be viewed as the last and final stage of economic evolution. "Time is requisite for the development of its completer forms." In the meanwhile, these three distinct forms of economic organization serve as an "interval of transition," designed to "secure outward peace ... until the conditions of true fraternity ... effect ... the redemption of society."³⁸ The redemption of society Clark is referring to will occur during the millennium, a period Clark characterizes as "surpassing in its attractiveness, the socialistic dream."³⁹ While no one can estimate how many "more generations must pass ... before the ideal will be fully attained,"⁴⁰ it would be characterized by a time when "all hearts will be bound by Christian love."⁴¹

Clark evokes the biblical account of the egalitarian society established in first century Jerusalem as the type of ideal society towards which "Humanity is approaching ... and not always slowly."⁴² The "bit of communistic history furnished by the book of Acts" demonstrates that "the early Christian commune was a success religiously, if not otherwise," and refutes "the arguments of those who claim that socialism is not merely impracticable, but ultimately and forever undesirable, and who can see only evil in the successive steps of society in that direction."⁴³ The early Christian commune also furnishes the egalitarian principle underlying future economic relations. He writes:

On the general optimistic principle that the ideal of the present system will be the reality of the future, we are willing to believe, that the church will one day possess something of the devotional spirit which led the disciples at Jerusalem not only to forget differences of wealth, but to annihilate them.⁴⁴

In addition to egalitarian economic relations, the millennium would also be characterized by a fraternal brotherhood and the elimination of class consciousness. As the chief purveyor of social equality "... the church will lose not only in the elegance of its furnishings, but also in the average refinement of its members." While not always continuous and

uninterrupted, progress toward this goal will, nevertheless, prevail "according to the standard of its founder, till attaining again the ideal which it realized, for a brief season in the past, it shall gather a few rich and the many poor ... in which the deep bond of spiritual brotherhood will be forever assured."⁴⁵

As to the precise characteristics or workings of the millennial kingdom, Clark is not clear. He points, however, to several notable 19th century Christian agricultural communes as harbingers of the future. He writes:

The Shakers, the Amana communists, the Perfectionists and others have been united by other than economic bonds, and the success of their experiments is not only chiefly in proving that agricultural socialism is possible, but in showing that this mode of living is favorable, as it seems to have been in Jerusalem of old, to religious brotherhood of men... if modern communes can be made successful economically and religiously, of, while removing evils purely economic, they also ally themselves with the spirit of religious fraternity, then their growth will be as sure, though possibly as slow, as the growth of the fraternal spirit among men.⁴⁶

While Clark fervently supported the ideals associated with fledgling Christian communes, he never advocated the adoption of a communal society or a communist social structure. Such examples, as they exist, are educational and inspiring. They represent only a foreshadow of the harmonious future which some day will unfold. In the meanwhile, man must be content with a gradual transition toward a more egalitarian and just society. Commenting on the evolutionary rather than revolutionary road to socialism Clark writes:

Socialism, in the broad sense, meets an imperative human want, and must grow surely, though not as reformers are wont to estimate progress, rapidly. The prime condition of success in its growth is slowness; haste means all manner of violence and wrong. Only step by step can we hope to approach the social ideal which is beginning to reveal itself; impatience would place us farther away than ever.⁴⁷

Clark's reasoning is straightforward. Since moral development must lead rather than follow social and economic development, any effort to establish a truly utopian society must proceed apace with moral development. "Christian socialism," he writes, "is economic republicanism; and it can come no sooner, stay no longer, and rise, in quality, no higher than intelligence and virtue among the people."⁴⁸

While Clark was hesitant to espouse a utopian blueprint for social salvation, he, nevertheless, supported any effort on the part of the church which would advance the Kingdom of God. The church, he writes, is in many ways the diffuser of the "spiritual impulses that are communicated to it; and while this work still has, as its chief end, the moulding of character itself, it has, as a secondary end, the improvement of the economic relations of men." As an "arbiter of men's earthly fortunes," it may hasten "the advent of earthly peace by gathering men more rapidly into its spiritual fold, it may also hasten the spiritual work by promoting outward harmony."⁴⁹

Clark viewed the church as a force for social cohesion and cooperation, especially as an arbitrator between contesting social and economic claimants. The reality of the situation was, however, quite different. Most Protestant denominations of the period had neither the capability nor the inclination to pursue such an expansive agenda. Those which did were few in number and often unduly cautious lest they should arouse the suspicions and ire of well-to-do parishioners. Others were content to concern themselves with day-to-day operations and shepherding the flock, eschewing difficult social questions whenever possible and often adopting a position completely at variance with the more progressive views of the day. Commenting on this undesirable state of affairs and the potential for the church to actually retard rather than promote social progress, Clark writes:

If a new and higher type of industrial organization shall develop from the present chaotic condition, it will be one that will have, as its distinctive principle, fraternity among men. It will harmonize warring elements and enable humanity to live by accepting, as a great family, the bounty of nature, working in harmony and dividing the fruits of labor in peace. As the

fountainhead of the chief moral and spiritual influence, the church should be the great unifier, the principal author of that fraternal spirit on which higher industrial development depends. It is in fact, the promoter of class antagonism; by its methods of gaining revenue it is widening the gulf that needs to be closed.⁵⁰

Clark considered such reactionary behavior to be an unacceptable remnant of a by-gone era. "Entering on a course that is as full of peril as it is of promise," society can no longer tolerate institutions which impede rather than hasten religious and social progress. Both "institutions as well as men are to be sifted" on the basis of whether or not they promote fraternity. "This test, if intelligently applied, will be found to condemn, not the spirit of the church, but its outward methods." If organizations which now broaden "the gulf between social classes" are to become "the chief agents in closing it," they must adopt "outward forms less mercantile than those now prevalent, and more in harmony with the new economic era."⁵¹

In addition to "outward forms" of church indifference and social apathy, Clark was also concerned about class distinction within the church. In an effort to address this later issue he developed an entirely new area of economic analysis, an area he referred to as "Spiritual Economics." Commenting on this new form of analysis, he writes:

By the term Spiritual Economics, we mean, not a discussion of things purely spiritual, but a department of science which considers forms of material wealth that minister to spiritual wants.⁵²

Insofar as spiritual wants are similar to other higher wants such as music, art, philosophy, etc., the subject of these wants - in this case, spiritual nutriment - should be considered no different than other higher commodities. "If men were purely material, physical nourishment would suffice for them; but spiritual natures require spiritual nutriment... It has, in fact, a material basis, and falls within the limits of the economist's studies; the students of this science have other than literal loaves to consider."⁵³

Spiritual nutriment is subject to many of the same characteristics as other commodities. "Church edifices" should be looked upon as "places where.... spiritual wants are produced, distributed, exchanged, and consumed according to the same principle as ordinary products." Spiritual nutriment is also similar to many other goods provided for public consumption; "we dine in commons, on the cooperative principle, once a week, with occasional lunches between whiles."⁵⁴ Finally, and perhaps most important, the demand for spiritual nutriment, similar to other higher wants, will decline as result of deprivation.

Clark considers this latter characteristic to be of special consequence insofar as historical developments within the church have priced spiritual nutriment beyond the reach of the poor, contributing to the spiritual loss of untold people. He writes:

Continued deprivation of any thing above the bare necessities of life tends to render the desire for it quiescent. The man who always lived in a cottage has no active desire for a palace. This principle is the more effective the higher we ascend in the scale of wants. Continued physical privation blunts the desire for physical comforts; but it does so less completely than mental and spiritual gratifications. An economic cause, therefore, which places religious commodities above the purchase limit of a class of persons is responsible for the destruction of their desire for them. Exclude a man from church, and you are responsible for the fact that, in [later] years, he and his children have no desire to return.⁵⁵

The conclusion Clark has reached here would seem to be at variance with the principle of diminishing marginal utility. According to established economic principles the demand for spiritual nutriment should increase rather than diminish with deprivation. What Clark appears to be suggesting, however, is that spiritual nutriment had become a complement to a larger package of goods, comprising social identification, distinction, education and artistic appreciation. One cannot consume more of one without at the same time consuming more of the other. To do otherwise would diminish rather than enhance the consumers' overall level of utility. It stands to reason, therefore, that more expensive forms of spiritual nutriment, while adding to the utility of the well-do-to actually diminish

the utility of those who cannot or are unable to afford the corresponding bundle of complementary goods.

Clark also seems to be suggesting that the resulting divergence in consumption characteristics between rich and poor will tend to widen rather than diminish over time. While he is somewhat vague on this subject, he appears to be suggesting that those characteristics which account for interclass divergences in demand - taste, income elasticity and perhaps even product availability - reflect the increasing polarization of American society throughout the 19th century. Commenting on the social dynamics underlying this development, he writes:

A religious organization requires religious homogeneity of membership; an ordinary social organization demands social homogeneity, similarity of taste, interest and wealth. All these conditions existed in colonial times; there was an equality approximating the apostolic commune, and the church might without danger be social, as well as religious... From that early day until now we believe that the effects which we have indicated as theoretically probable, have been actually realized. Increasing wealth has caused increasing costliness of religious services, and crowded out the poor; and increasing culture has transformed the church into a semi-social club, and barred them out more completely. In accordance with the psychological law above cited, religious privation among the poor has blunted their desire for religious things; the poor man who could not well go to church ceased to want to go; he lost his religious craving - starved, as the majority of the world are starving today.⁵⁶

In addition to economic causes, Clark identifies the social environment within the church itself as a contributing factor. When the sacred precept, "Blessed be the tie that binds" is changed into a common friendship, the spiritual bond which served as "the leveler of castes, the remover of jealousies, and the permanent peacemaker of humanity" is forever lost. He goes on to write:

... rich and poor, cultured and ignorant can never associate on this basis. Substitute a social tie for a religious one in the church, and you make it repellant in its attitude toward the world; you destroy its leavening principle, and make it a lump which, though it be manna itself, cannot leaven a measure of meal, though it be hid in it forever.⁵⁷

The growing prosperity associated with 19th century industrial development had, in Clark's assessment, the paradoxical effect of increasing rather than diminishing spiritual poverty; indeed, he considers the substance of the discussion to be one of "spiritual poor-relief." By spiritual poor-relief he does not mean charity, however, but rather the realization of social and spiritual justice. Charity involves helping the unfortunate. Redressing mass deprivation resulting from imperfect institutions is, on the other hand, a question of justice. Commenting on this distinction, Clark writes:

Now, long before the days of Elizabeth, a principle was authoritatively announced which was in advance of her celebrated statute, and far in advance of the average tone of modern Political Economy; that, namely, of the ultimate claim of every man to a spiritual maintenance. The soul may starve, as well as the body, and it was Christ who first announced the duty of preventing such starvation. Not merely on the ground of charity, but on that of justice, on precisely the same ground on which man claims relief from literal hunger, does he claim to be relieved from the starving of the spirit...⁵⁸

The issue is not, therefore, one of choice, but one of responsibility and necessity. He writes:

Society, as a whole is responsible for the life of its members, spiritual as well as physical. The principle of English law is in force here: society must preserve the life which society endangers. It is a work, not of charity, but of justice. Principles of individual responsibility are discussed in works on Ethics; this is a principle of organic responsibility, a subject too broad to have received adequate consideration in any philosophy.⁵⁹

On a more personal level, he writes:

... No church could avowedly sacrifice to its own pleasure the millions whom Christ has committed to its care. There is a terrible possibility that the social relations now maintained among fellow church members is keeping out the world, crowding out the poor of the church, and bolting the door against their return.⁶⁰

Having established the nature of the problem and the church's responsibility to act on this problem, Clark proffers two solutions to the problem of spiritual impoverishment.

In both cases, "the general character of the remedy is indicated by the nature and cause of the evil; it is economic and it is general." The first solution, "indifferent, but better than nothing, is to vary the meal to accord with differing tastes and purses; to provide first and second-class tables." Relying once again on the metaphor of food to describe spiritual nutriment, he writes:

... Let the ship that aims to carry all humanity have its French cooking for the cabin, and its plain bread and meat for the steerage. This means, of course, the differentiating of churches on the basis of wealth, a process already beginning, spontaneously, to take place. It means costly churches, choice music and brilliant preaching for the wealthy, and plain buildings, voluntary singing and unadorned preaching for the poor. At best this is unrepublican, and hostile to the spirit of Christ's teaching; but it is less odious than to turn the poor out altogether.⁶¹

As an alternative to separate meals Clark advances a "more republican and more Christian [approach] - the establishment of a single table which all can attend." While the "food provided should be simpler, cheaper, and more nourishing ... and the buildings larger and less luxurious, people will attend church for "sustenance, not for society." "The tie that binds," he declares, "should be Christian love, not friendship based on similarity of taste and station." Clark is obviously aware that the latter solution is more difficult than the former; but using reasoning analogous to that used by Plato many centuries before, he concludes "for that very reason its adoption is ultimately probable."⁶²

Clark was quite confident that the latter solution, one which prompted the early church of Jerusalem "not only to forget differences of wealth, but to annihilate them," would prevail in the end. While acknowledging that the path will not be without setbacks, the church will with every step downward "take a step upward, according to the standard of its founder, till, attaining again the ideal which it realized, for a brief season in the past, it shall gather the few rich, and the many poor, into a company in which the flippant ties of polite society will be utterly impossible, but in which the deep bond of spiritual brotherhood will be forever assured."⁶³

Clark's early economic and religious writings as surveyed here represent only a small part of his many academic achievements. By the late 1880s, the marginal revolution, which had originated more or less simultaneously in England, Austria and France during the early 1870s, was gaining adherents in America. Obviously enamored with the new theory and the possibilities it afforded, Clark dispensed with the broad socioreligious theories which characterized his earlier work so as to focus on the more austere, scientific relations which have come to characterize modern neoclassical economic theory.

Unlike his earlier thought, the religious element in Clark's later writings is rather obscure. Christianity is seldom mentioned explicitly, although one suspects that the 'natural law' whereby incomes are justly distributed to the various factors of production is in some sense a consequence of divine providence. At a deeper level Christianity performs the function of moral guardian; that is, by establishing and maintaining a level of morality conducive to the just and efficient operation of a capitalist society, Christianity affords the realization of natural law. Finally, Clark's neoclassical thought is characterized by an abiding faith in progress. While he relies almost exclusively on mechanical relationships involving static equilibrium and dynamic evolution to support this position, the underlying behavioral assumptions may be interpreted as being implicitly motivated by divine providence.

Such considerations, notwithstanding, it is Clark's early thought which established him as one of the more prominent Christian economists of the late 19th century. As suggested by the foregoing discussion, his Christian economic thought represented a systematic, well-integrated approach to the subject of Christian political economy. While the focus of his effort was obviously on the contemporary issues of his day, he projected a picture of human development which was at once historical, relational and prophetic. In many respects Clark's Christian economic thought remains as fascinating and insightful today as it was a century earlier.

Footnotes

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- ² Everett, J.R., *Religion in Economics: A Study of John Bates Clark, Richard T. Ely and Simon N. Patten*. New York: King's Crown Press. 1946. pp. 26-28; Palgrave, R.H. Inglis (Ed.), *Dictionary of Political Economy*. 3 volumes. London. 1987, p. 429.
- ³ Everett, J.R., *Religion in Economics: A Study of John Bates Clark, Richard T. Ely and Simon N. Patten*. New York: King's Crown Press. 1946. pp. 29-34; Palgrave, R.H. Inglis (Ed.), *Dictionary of Political Economy*. 3 volumes. London, 1987, p. 429; Sills, D.L. (Ed.), *International Encyclopedia of the Social Sciences*. Macmillan Free Press. 1968. p. 507.
- ⁴ Clark, John Bates. "The New Philosophy of Wealth." *The New Englander and Yale Review*. January. 1877. p. 170.
- ⁵ Clark, John Bates. "The Moral Outcome of Labor Troubles." *New Englander and Yale Review*. June. 1886. p. 533.
- ⁶ Clark, John Bates. *The Philosophy of Wealth*. Boston: Ginn, 1886. p. 34.
- ⁷ *ibid.*, p. 40.
- ⁸ Clark, John Bates. "Christianity and Modern Economics." *New Englander and Yale Review*. July 1887. p. 50-51.
- ⁹ *op cit.*, *The Philosophy of Wealth*. pp. 174-175.
- ¹⁰ *ibid.*, p. 31.
- ¹¹ *ibid.*, p. 31.
- ¹² *ibid.*, p. 42.
- ¹³ *ibid.*, p. 38.
- ¹⁴ Quoted from Everett, J.R., *Religion in Economics*, p. 39.
- ¹⁵ *op cit.*, *The Philosophy of Wealth*. pp. 38-39.
- ¹⁶ *ibid.*, pp. 41-42.
- ¹⁷ Clark, John Bates. "How to Deal with Communism." *New Englander and Yale Review*. July 1878. p. 537.
- ¹⁸ *ibid.*, pp. 537-538.
- ¹⁹ *op cit.*, "The Moral Outcome of Labor Troubles." p. 534.
- ²⁰ *op cit.*, "How to Deal with Communism." pp. 534-535.
- ²¹ *op cit.*, "Christianity and Modern Economics." p. 52.
- ²² *ibid.*, p. 55.
- ²³ *ibid.*, p. 57.
- ²⁴ *ibid.*, p. 56.
- ²⁵ *ibid.*, p. 58.
- ²⁶ *ibid.*, pp. 58-59.
- ²⁷ Clark, John Bates. "The Nature and Progress of True Socialism." *New Englander* 38. July 1879. p. 577.
- ²⁸ *op cit.*, *The Philosophy of Wealth*. pp. 199.
- ²⁹ *ibid.*, p. 157.
- ³⁰ *op cit.*, "The Nature and Progress of True Socialism." p. 566.
- ³¹ *op cit.*, *The Philosophy of Wealth*. p. 187.
- ³² *ibid.*, p. 173.
- ³³ *ibid.*, p. 198.
- ³⁴ *op cit.*, "Christianity and Modern Economics." p. 53.
- ³⁵ *ibid.*, p. 59.
- ³⁶ Clark, John Bates. "Review of Richard T. Ely's *Labor Movement*." *The New Englander and Yale Review*, 1886. p. 1055.
- ³⁷ *op cit.*, "Christianity and Modern Economics." p. 53.
- ³⁸ *op cit.*, *The Philosophy of Wealth*. p. 198-199.

- 39 *ibid.*, p. 201.
40 *ibid.*, p. 235.
41 Quoted from Everett, J.R., *Religion in Economics*, p. 54.
42 *op cit.*, *The Philosophy of Wealth*, p. 235.
43 *op cit.*, "The Nature and Progress of True Socialism." p. 576-577.
44 Clark, John Bates. "Spiritual Economics." *New Englander and Yale Review*, May 1880, p. 318.
45 *ibid.*, p. 318.
46 *op cit.*, "The Nature and Progress of True Socialism." p. 576.
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48 *op cit.*, *The Philosophy of Wealth*, p. 199.
49 *ibid.*, p. 236.
50 *ibid.*, p. 233.
51 *ibid.*, pp. 231-235.
52 *op cit.*, "Spiritual Economics." p. 307.
53 *ibid.*, p. 305.
54 *ibid.*, p. 306.
55 *ibid.*, p. 311.
56 *ibid.*, p. 314.
57 *ibid.*, p. 312.
58 *ibid.*, p. 308.
59 *ibid.*, p. 315.
60 *ibid.*, pp. 313-314.
61 *ibid.*, p. 317.
62 *ibid.*, pp. 317-318.
63 *ibid.*, p. 318.

John R. Commons

John R. Commons - labor economist, activist, and social reformer - was one of the founders and leading proponents of American institutional economics. Described by the noted historian of economic thought Joseph Dorfman as a "restless intellectual soul,"¹ Commons was iconoclastic in his approach towards economic science. A proponent of the fact-finding method, pragmatic social experimentation, and the study of long-standing institutional arrangements, he rejected the austere categorizations and chains of logic associated with classical and neoclassical economics. In sharp contrast to Clark, Marshall, and other notable economists of the period, the individual, in Commons' thought, was not an abstract entity, but a living, breathing person with legitimate desires and grievances. While this element of his thought has been duly recognized in his later writings on labor and institutional economics, little consideration has been given to his earlier work as a leading advocate and contributor to the Social Gospel movement. It is to this latter and hitherto overlooked area of Commons' thought that we now turn.

Named after the famous 16th century Puritan martyr John Rogers, Commons' personal beliefs were greatly influenced by his mother's Calvinist zeal and his father's pragmatism. Shortly after his birth in Hollandsburg, Ohio, on October 13, 1862, the Commons family moved to Union City, Indiana. Both parents were ardent abolitionist and actively supported the underground railroad. Although both counted themselves as progressive social reformers, they held essentially dissimilar beliefs: his father was raised as a Quaker, but later departed from the more orthodox strictures of his faith in favor of Spencerism and spiritualism. His Presbyterian mother, on the other hand, remained committed to the theological doctrine of Calvinism. The influence of both parents would become evident in Commons' rather novel approach to political economy, an approach which combined elements of moral fervor, scientific investigation, and social activism.²

It was his mother who had the most influence on her son's education. Adamant that John should rise above the prosaic surroundings of eastern Indiana, she sent him to Oberlin College, her Alma Mater, with 1882 in the hope that he might become a minister. Not content to provide financial and moral support from afar, she later moved to Oberlin and opened a small boarding house for students.³ While at Oberlin, she and John were instrumental in starting an anti-saloon publication. The publication later evolved into the Anti-Saloon League - a grassroots prohibitionist organization which promoted "local option until it became state option and then during the War, national prohibition, without a third party."⁴

Oberlin was also the place where Commons experienced a philosophical or spiritual transformation of lasting importance. Described as "salvation" in his autobiography, the experience was so moving that he writes: "For twenty years thereafter I did not smoke or drink, though I must say the first three months were terrible in giving up my surreptitious pipe."⁵

The zeal for social activism which Commons acquired at Oberlin would continue during his later years as a graduate student and academician. At Johns Hopkins University, he was influenced by his instructor and mentor Richard Ely to join the Charity Organization as a "case worker." His assignment was an old Civil War veteran with tuberculosis who lived in a rattle shack tenement on the north side of Baltimore. Commons helped the man to obtain a pension, and in so doing "got an insight for the first time of practical politics."⁶

The experience helped shape Commons' perceptions on the close relationship between political economy and other social sciences. The political machinations associated with acquiring the old man's pension were so apparent that Commons went so far as to question in a rhetorical fashion whether or not such work fell within the purview of political economy. Commenting on this experience many years later and how it influenced his perception of the science, he writes: "Afterwards, when sociology was separated from

political economy in university teaching, charity was transferred to sociology. I never could reconcile myself to this separation."⁷

Over the next several years Commons' academic and social efforts took on an increasingly religious quality. As an associate professor at Oberlin he taught sociology to theology students and published a "Popular Bibliography of Sociology" so as "to furnish the general reader, especially the Christian minister and worker, a list of the best available books on important sociological problems."⁸

A year later he accepted a position at the University of Indiana and was made secretary of the American Institute of Christian Sociology. Founded at Chautauqua, New York in 1893 by Commons' former professor Richard Ely, the Institute claimed that Christian law and precepts held ultimate authority in the secular as well as ecclesiastical realm. "The aim," in Commons' words, "was to present Christ as the living Master and King and Christian law as the ultimate rule for human society, to be realized on earth."⁹ Emphasizing the academic and applied elements of Christian social thought, the Institute proposed "to study in common how to apply the principles of Christianity to the social and economic difficulties of the present time and to present the Kingdom of Christ as the complete ideal of human society to be realized on earth." This objective was to be achieved "by publications, by lectures, and addresses, by the establishment of libraries, professorships, etc., and especially by the formation of local institutes following prescribed courses of study."¹⁰

Although Commons was an active participant in many of the Institute's ongoing efforts, his initial zeal turned to disillusionment as the association failed to establish precise goals and a *modus operandi*. Commenting on the apparent lack of focus, he would later write:

... I became upset as to the meaning of Christian Socialism and Christian Sociology. On one night of his series our lecturer identified Christianity with pure Anarchism; on the next night he identifies it with Communism. He identified each with God. But I now became mystified on the meaning

of Love itself. I could not make out whether Christian Socialism meant Love of Man or Love of Woman. On this issue our Institute of Christian Sociology split and disappeared.¹¹

Commons also edited a column on "Christian Sociology" for *The Kingdom*, described by one writer as "the most popular and the most radical journal of the social gospel period."¹² Similar to the Institute of Christian Sociology, the publication proclaimed that Christ should reign supreme "in all the affairs of life - intellectual, social, commercial, political and ecclesiastical."¹³ The paper, which was forced to close after only five years due to legal difficulties, initially emphasized "applied Christianity - the application to social conditions everywhere of the plain teachings of the Founder of Christianity and Humanity's Savior."¹⁴ This objective gradually evolved into a social platform resembling that of the English Christian socialist movement a half century earlier. Despite the apparent drift toward a more radical agenda, the publication continued to support the concept of free inquiry and the primacy of Christian *praxis* over theological doctrine, declaring:

Fearless and uncompromising with wrong in every sphere, it will yet be tolerant of differing intellectual opinions. It will [serve] to ... illustrate the spirit of Jesus rather than to discuss questions regarding its personality. It will aim to cultivate in its readers a proper temper of mind regarding all questions of social reform rather than to insist on a particular method as being the only and infallible course to be taken. In Politics it will remain absolutely independent, upholding the principles of true democracy.¹⁵

Commons' social philosophy during this period was influenced by the rapidly emerging Social Gospel movement. A by-product of abolitionist activism before the civil war, the movement reached its zenith during the late 19th century and early 20th century. Similar to American social utopianism and European economic romanticism, the movement reflected a disenchantment with modern industrial society, and instilled a sense of purpose among those who longed for a more peaceful, largely agrarian society reminiscent of a bygone era. The emergence of the Social Gospel movement also reflected the angst

and turmoil within the church itself as it sought to come to terms with an increasingly secular scientific establishment and the ascent of evolutionary theory.

Obviously aware of the challenges posed by such problems, the proponents of the Social Gospel movement sought to broaden the appeal of Christianity by making it more responsive to the needs and beliefs of modern Christians. Instead of viewing evolution and the secular social sciences as a threat to Christianity, they sought to co-opt the secular realm by emphasizing the providential nature of human history, and the role of social adaptation and progress in God's divine plan for humanity. The Kingdom of God, it was argued, was here on earth, and it was here that God was implementing his plan for the perfection of society. While this process was at times slow and arduous, it was evident throughout history as mankind made small but important steps towards social and spiritual realization.

Both science and the church were to have a special role in effecting this change. Social progress and moral development must proceed apace: an imbalance emphasizing one or the other would impede rather than hasten the development of the Kingdom. An exclusive preoccupation with salvation would undermine the authority and relevance of the church. Conversely, a preoccupation with social conditions apart from Christianity would doom humanity to a mindless state of moral oblivion and social conflict. Modern science was in need of religion, and modern religion was in need of science.

The essential features of the Social Gospel movement as outlined here were evident in Commons' early writings on Christian political economy. In a passage from *Social Reform & the Church*, a compilation of Commons' early socioreligious thought, he explains the new philosophy and how it differs from the more traditional view of Christianity. He writes:

There is a new idea abroad regarding the relation of the Church to society. The Church should not content herself with saving individuals out of the world, but should save the world. *Society* is the subject of redemption. And this not for the sake of any abstraction called society, but for the sake

of the individuals who compose society. It is being recognized that the way to save individuals is not merely to pick out a few through the agencies of temporary excitement, and thus to obtain a confession of sin and a profession of faith, but it is to gradually develop all that is highest in every son of man, whether he be a believer or not. This is the meaning of Christ's profound saying, that God 'maketh his sun to rise on the evil and on the good, and sendeth rain on the just and the unjust;' that is, on those who profess him and those who reject him. The Church must do the same. But the Church has worked on the principle that it can do nothing for the unjust, that is, non-church members. It can build up Christian character only in those who have already come into the fold.¹⁶

The Social Gospel movement, as Commons perceived it, involved not only an activist social policy on the part of concerned Christians, but also a recognition and acknowledgment that society was imperfect, but eventually perfectible. The very recognition of a problem as a problem is premised at some point on an understanding of good and evil, or as Commons explains "... there would be no problem at all, were it not for our ethical and Christian ideals, which abhor injustice and inequality." As the vanguard of moral ideals, the Christian church historically performed this function. Its teachings concerning "the brotherhood of man and the moral dignity of every soul before its Heavenly Father" undermined and contributed to the eventual demise of slavery. The advent and acceptance of equality before the eyes of God paved the way for political equality. The process was not complete, however, for the knowledge that man has a "birthright equal to that of every other man" had engendered a longing and desire for true economic equality. "The sword of Jesus will not be sheathed," Commons writes, "until every man has an even chance here below."¹⁷

While Commons was of the belief that the march of history was inexorable, he recognized that progress was often accompanied by numerous false starts and opposition. Christianity had already provided man with a glimmer of equality and justice and "workingmen themselves had eagerly accepted this ideal." It is here, however, that Commons raises the specter of betrayal. Having awakened the irresistible desire for an

abundant life where justice reigns supreme "the Church begs them [workingmen] to be quiet under their wrongs in this life, with the hope that they will have their reward in the hereafter." He continues:

No charge is urged more bitterly than this. If it be true, the Church has utterly perverted the teachings of Jesus, and we have the striking anomaly, a source of constant discord, that while Christianity has awakened higher ideals of life among the masses and made them restless, the Church has opposed the realization of those ideals in the life where they most are needed.¹⁸

The disillusionment and bitterness Commons addresses here stems from a failure on the part of the church to recognize their full responsibility before God - a responsibility which includes building the Kingdom here on earth as well preparing Christ's followers for the hereafter. "The Christian preachers," he writes, "have failed to see their vantage ground, or, seeing it, have failed to take it. They have confined their thoughts to individual righteousness, and have failed to take in the broad field of social righteousness."¹⁹

Elsewhere he compares the exclusive emphasis on salvation with the "medieval doctrine of the eternal opposition between body and soul." He writes:

... Today this doctrine leads the Christian Church to preach salvation only for a future life - salvation for the soul apart from the body. Oppressive and unjust conditions in this life are looked upon as ordained means of grace to discipline the soul and turn its longings towards the hereafter.²⁰

The end result of this doctrine, in Commons' assessment, was a complacent and uncaring disregard for the suffering masses. "The Church," he continues, "has looked complacently on while poverty has increased, crime has leaped forward, intemperance has become a giant."²¹

This latter assessment typifies Commons' more general perception of late 19th century American society. Far from ushering in a new era of prosperity and harmony, capitalism and industrialization had given rise to a surfeit of economic ills. Unemployment,

poverty, exploitation and the general dehumanization of the workingman and his family could be traced to a pernicious system of private poverty, wage slavery and a maldistribution of wealth. Commenting on an economic system where a relative few lived in splendid luxury while the masses lived in poverty, Commons writes:

On the one hand is great wealth, bringing great luxury and extravagance, great haughtiness and little thought for the trials and privations of the unpropertied. In the other is insecurity of employment and a servile dependence enforced by the whip of hunger, more inexorable than all tyrants.²²

In addition to economic problems, Commons also identifies a number of equally pernicious social ills such as intemperance, crime, poor hygiene, indolence, dysfunctional families, etc. The origins of these problems are obviously diverse and Commons carefully avoids identifying an all encompassing cause or even group of causes. In his address to the "educated man,"²³ he writes:

... that evils which are complained of today do not have their source in a single cause, but rather are a network of causes and effects. Long hours and low pay are causes of intemperance and poverty, and intemperance and poverty are causes of long hours and low pay. Consequently the educated man should not become enamored of any single reform.²⁴

Despite this admonition, Commons identifies what he considers to be two of the more prominent sources of social maladjustment. The first is the influence of social adaptation and culture on human behavior and the second involves the social and psychological problems resulting from urbanization, industrialization, and economic upheaval.

Poor moral character, Commons asserts, is a consequence of social adaptation and social inculcation. Social adaptation reflects an evolutionary process by which the nobler and more productive modes of human behavior gradually come to displace the ignoble and less productive modes of behavior. This displacement can take place at the societal level as when "The Anglo-Saxon displaced the Indian from the land of his fathers,"²⁵ at a more

localized level as when small subgroups adapt to the larger social surroundings; or at the individual level as in the case of natural selection.

Individual adaptation provides the starting point for Commons' assessment of human character. "The soul," he writes, "is simply the expression and flower of the body." "Bodily wants," however, "are the primal and indispensable wants," and it is through the satisfaction of such want that psychological development occurs. As an example he points to "how eagerly loving parents attend to the physical wants of the little one, rejoicing as their reward in the slowly budding signs of affection and aspiration - the beautiful tokens of the unfolding spirit."²⁶ But how is it, he asks, does "this soul unfold and develop?" In answer to this question, he writes:

... Sociology, based as it is upon the sciences of biology, tells us it is through the universal law of life - adaptation to environment. Adaptation is direct and indirect; the first is effected through use and disuse of faculties; the second through heredity. Thus the individual, both in his body and his soul, in the process of generations becomes fitted to his environment.²⁷

"But," he hastens to add, "it is society that furnishes the environment of the individual." While a person's ability to adapt to his surroundings may be a product of his heredity and/or other factors associated with intergenerational social development, it is society which determines the particular circumstances in which a person must live and function. Society also determines the individual's social class; his place of birth; whom his friends and family are; what his occupation is likely to be; and, perhaps most importantly, it rewards him or penalizes him on the basis of whether or not he abides by the norms and mores established by his social group. Society, in short, has a profound influence over a person's life and character. Commons writes:

Society determines the conditions under which his physical and spiritual powers shall be permitted to develop. Society creates great social classes, and assigns the individual, even before his birth, and on through infancy, youth, and manhood, to one of these classes. For generations before his

birth, and again through the plastic years of childhood, his particular social class is shaping and conditioning his physical and mental powers, his appetites, emotions, and ideals.²⁸

Similar views are expressed in Commons' address on "The Church and Political Reform." Critical of the commonly held view that the church "can do nothing for the unjust," he writes:

A deeper knowledge of humanity shows this to be fallacious. Man is a social animal. He is part of a living, growing organism. He receives life handed down by generations of ancestry. He grows up amidst an all pervasive pressure of beliefs, opinions, sentiments, habits, and industrial conditions. He is, therefore, the creature of his social class. If the members of this class be weak in body, mind, nerve force, and will power, and, therefore, the slaves of their surroundings, he will be also. Hence the reformation of society is a problem of *ages*, not merely a question of picking out individuals after they are born, but of saving them generations and centuries before they are born.²⁹

The second source of social ills, dysfunctional social behavior, can be traced to the psychological stress brought about by intolerable working conditions, poor sanitation and overcrowded tenement housing, unemployment, insufficient leisure and family time, disintegration of the family unit, etc. Such pressures will inevitably lead to a type of psychological imbalance and it is in this state that the individual is most inclined to engage in socially unacceptable behavior.

In his article "Temperance Reform," Commons asserts that the problem of alcoholism can be seen as primarily a function of recent social and economic upheavals. Civilized man can be understood as a rational being who interacts in an intelligent predictable way with his social surroundings. When "Society is in a state of convulsion," as it was during the latter part of the 19th century, man's ability to adjust and react to his surroundings is diminished. "When adjustment with society fails, it is upon his nervous system that the greatest strain occurs." "This maladjustment" as Commons refers to it, ... has shown itself in startling figures the past forty years. During that time crime has increased five

times as fast as population. Insanity has doubled and trebled compared with population. Suicide has increased alarmingly.... The consumption of alcoholic liquors per capita of the nation at large has more than doubled in twenty years, ...³⁰

Commons dismissed both the Spencerian contention that such evils tend to right themselves as well as the more enlightened view of those "well-to-do persons who prefer to read and write books on the progress of the working classes." Commons declares that the "great mass of workmen, when we consider all their circumstances, are no better off than they were thirty years ago, and many are worse off."³¹ He goes on to write that even if one were to concur with the dubious proposition that the welfare of the workingman is gradually improving, it is not possible to appease such a person "by telling him how much better off he is than was his simian progenitor." His discontent is derived from the knowledge that his fellowman "is growing richer every day upon the fruits of his own poorly-paid toil." The "first revelation of sociology," Commons writes in conclusion, "ramifies in all directions, and appears in the tenement house, the saloon, the jail, the poorhouse, and that under the operation of existing forces this problem is daily becoming more intense."³²

The problems Commons identifies here are not confined to economics or even social economics, but rather transcend all of the social sciences, touching upon such diverse areas as human behavior, psychology, and cultural fragmentation. Aware of such linkages, he writes:

On account of the organic nature of society these problems are laced and interlaced - they act and react on another. The causes and remedies of poverty can only be comprehended only through an understanding of its relations to the whole social organism ...³³

On another occasion, he writes:

The sociologist studies the individual man, not as a separate particle, but as an organ intimately bound up in the social organism.... The fact that I am

dependent for the clothes, I wear, not on the individual of whom I bought them, but on million of individuals working together throughout our whole nation, with more or less harmony, teaches me that it is this organism society, which determines my weal or woe.³⁴

But man's welfare is more than simply a question of material provision, for it also touches upon the question of economic equality and lack of opportunity. "This," Commons goes on to write, "is the problem of sociology with which the Christian has most to do." He continues:

What are the relations of society as a whole to the unprivileged classes? What is there in the social organism that produces these classes? Can anything be done to give them opportunities for a higher life? Can they be educated to make good use of improved opportunities? Whose duties is it to give them these opportunities and to teach them how to use them?³⁵

Such questions, while essentially of an ethical nature, are used by Commons to underscore the close relationship between an organic conception of society and Christianity or, more precisely, between Christianity and sociology. Commons considered both to be indispensable elements to a general solution of the social problem. "So far advanced is the science of sociology," he writes, "that almost the only thing needed now is the diffusion of this science among the people at large."³⁶ This diffusion was to be accomplished by the Christian minister who by virtue of his high ideals and his position as a leader and spokesman in the community was in a ideal position to have a strong and immediate effect on society. Commenting on his unique plan to blend grassroots Christian *praxis* with scientific sociology, he writes:

We must all come around to the simple gospel of Christ, and we must apply this gospel in its right proportions, realizing that religion is love of God, and sociology love of man, and on these two hang all the law and all preaching.³⁷

Commons was well aware that his plan for social salvation amounted to an almost revolutionary restructuring of society. The only solution, he declares, "is to reform the surroundings, and this means to reform society from top to bottom."³⁸ He continues:

In a matter like this small measures effect no results - they even make matters worse. By large measures I mean not revolutionary, but *scientific* and fundamental measures. Science means knowledge, profound knowledge, of forces and tendencies. Without the science of sociology there can be no reform of society. Christianity means a purpose, an enthusiasm, devotion, a faith, a love for humanity. Love and knowledge, Christianity and science, theology and sociology, must unite to save the world.³⁹

Despite the monumental nature of the task, Commons considered the objective to be eminently feasible. Technology, in his estimation, had essentially eliminated the problem of scarcity.⁴⁰ The only obstacle which remained was that of the human will. He writes:

We have got beyond that age of materialism which ascribes social conditions to workings of so-called natural laws which man cannot modify. Social conditions are the result of the human will. In our country this means Christian human will; for it is the Christians whose wealth and intelligence control legislation, and whose wealth and intelligence in private affairs outweigh all other private influences.⁴¹

"Christianity," thus becomes, "the only solution for social problems, and society is waiting for the Christian minister to lead the way."⁴²

Not content to merely speculate on the nature and feasibility of some general, vague solution, Commons identifies the specific procedures and actions necessary to implement his grand design for social and economic renewal. The first step is study and scholarship: "Evils must be comprehended before reforms can be suggested. Then reform experiments everywhere ought to be examined and compared."⁴³ This two-step program involving both study and experimentation would not be limited to professional social

scientists who send out directives to church leaders, but would involve the direct participation of clergy and laity alike. Writing on ministerial responsibilities in such matters he writes:

... The preacher should be a student of social science. He should study books. A small library, wisely selected for him by some sociologist, and costing from thirty to fifty dollars, would be found amply sufficient for beginning his work. But equally as well should he study persons and families. He should find the facts by personal contact. Then he should present facts prayerfully. Let him avoid sensationalism as he would sin. He will succeed in this if his purpose be truly to benefit those whose cause he presents.⁴⁴

The minister's responsibilities would go beyond scholarship and include the diffusion of information and the inculcation of a progressive social vision. "The Christian ministers," he asserts:

... are the leaders of Christian activities as well as Christian thought. They give direction to these activities. The success of foreign missions is due to the frequent exhortations of Christian ministers.... The minister should do the same for social missions. If he should take a hearty interest in social questions, if he should hear the bitter cry of the home heathen, if he should take it upon himself to present their cause, soon the Church would follow in his steps, and no longer could the blame for social ills be laid at the doors of Christians...⁴⁵

The third social responsibility of the Christian minister would be to impart a sense of social responsibility or consciousness to his congregation. The "great sin of Christians," Commons asserts, is individualistic isolationism: "We do not acknowledge that we are our brother's keepers; we do not love our neighbors." This then is the crucial duty of the minister, he must develop this sense of responsibility by instruction, exhortation, and personal leadership. "Christians must learn that they, and they alone, are responsible if the ills of society are allowed to continue. And the preacher is the man to tell them so."⁴⁶

The pastor must be careful, however, lest he "become a politician." That is, he should take a measured approach to actual work on behalf of society. His interest would be better served by working "on the hearts of men, give them right purposes, show them the evils to be overcome and the end to be reached, and leave to them the ways and means for bringing about the needed legislation."⁴⁷

Outside of politics, however, there is much the pastor can accomplish through practical activities. "*First*, and most importantly," Commons writes, "he should lead his people in becoming friends to the neglected classes." He should personally acquaint himself with two or three families, the police court, the jail, the workhouse, and the almshouse. He should exhort members of his congregation to do likewise. Such interaction would foster a sense of understanding and compassion. It would also provide an opportunity to help the unfortunate through instruction, edification, and personal example. Such an approach, Commons believes, is much superior to giving alms or financial support from afar. "The neglected classes," he writes, "want not alms, but friends; and what a vantage ground the friend has over the almsgiver!"⁴⁸

The social evangelist should preach the gospel, but not only the gospel. "He should learn from social science that the body must be saved before the soul." Providing many of the same services normally associated with modern day social work, the visiting pastor or laity should "give help in every way that is needed - help to get employment, help to economize earnings." "What these people need," Commons continues, "is often simply business qualities, the ability to save money and to apply their labor more effectually and systematically."⁴⁹

Beyond such normally accepted forms of self-help training, the social missionary should teach the unfortunate "how to buy their clothes and food, how to cook, how to read books, how to enjoy themselves."⁵⁰ In short, he should perform all of the functions normally associated with the inculcation of family and social values. In addition to improving one's material welfare and instilling socially acceptable values, the social missionary

would help to bridge the social schism between rich and poor. "The rich man," Commons declares, "needs this personal contact as much as the poor." The well-to-do, he continues:

... can never have proper ideas of philanthropy, can never learn to love his brother until he knows him. And the main object of the mediating power of Christianity will not be attained if the well-to-do members of the churches are not brought together into contact with the opposite extreme of society.⁵¹

The "great feature of Christianity," he later writes, is "its mediating power in drawing social classes together. Here is where Christianity strikes at the root of social ills, and there is no other power in the community that can so strike."⁵²

Commons denied the feasibility of separating pulpit work from social work. The two were so closely related that it would be advisable to organize church activities on the basis of a fraternal organization. The local church when organized along such lines would "take on a popular, week-day character," and serve as, "a center for amusements, athletics, debating clubs and reading circles."⁵³ By increasing the social contact between the clergy and laity, both religious and social responsibilities could be accomplished in a more efficient and effective manner.

Commons' scheme for Christian social missionary work reflected, in part, his personal experience as a volunteer for various charity organizations. The importance he attached to personal experience is illustrated by the following account:

A charity organization society touches every social problem - the problem of labor, of unemployed, of long hours, of women and children workers, of city government; it offers the only true way of getting at the facts which I have dwelt upon. The man who has assisted in this work for even a short time can speak with assurance. He knows the actual conditions where of he speaks. I should not feel so strongly nor know so surely the terrible power of capital over labor, through the denial of the right to employment, had not work in a charity organization society brought me into contact with individual cases.⁵⁴

Commons' plan for social salvation also underscored his firm belief that the appropriate method for the social sciences involves grassroots investigation, experimentation, and a type of learning by doing approach to problem solving.

This philosophy is reflected in his advice to the "educated man," whom he cautions to avoid the callous conjectures of classical political economy. Such writings, Commons declares, would have us believe that "workingmen are all wrong in their demands; that they are going contrary to nature and, since God made nature, they are even atheistic." Quite the contrary Commons asserts, for instead of "finding that they are all wrong," personal investigation will reveal that "they are more nearly all right..." He goes on to write:

Though they know little of abstruse books, they are in daily contact with things, and soon feel where the shoe pinches. There is some deep reason in the boycott... What these reasons are the books have not taught; and the educated man does not know. If he studies them at first hand, he may not be convinced by the workingman's arguments, but he will begin to comprehend that these are real evils which they seek to avoid...⁵⁵

Similar sentiment is evident in the following advice he affords prospective social missionaries:

If I could prescribe a course of study ... I should say, enroll as friendly visitor in your local charity organization society. Have one or more families assigned to you, get acquainted with them, become their friends, help them in every practical Christian way except giving alms. Then, in your weekly meetings with other friendly visitors and the society's trained secretaries and agents, compare notes and cases, and discuss plans for reforming individual cases that are practical under existing circumstances. Thus you learn conditions and evils and their causes; you learn what society is doing to meet the evils; you get an idea of what ought to be done, and you see how urgent and tremendous is the problem.⁵⁶

While social missionary work could accomplish much, Commons considered government, the second distinctive element of his social reform program, to be of equal or even of greater importance. Government played a unique role in Commons' social philosophy during this period as well as later. It was government which established the collective

rules, regulations, standards, and laws governing society. Government was also responsible for the provision of public goods and the enforcement of moral codes. Finally, and most importantly from Commons' perspective, a democratic government provided the powerless and underprivileged the means to remedy the injustices and social ills of society.

History has taught that the privileged elements of society will almost invariably oppose any change which undermines their social or economic interest. Fundamental social reform, therefore, presupposes a certain degree of coercion. It is government, and government alone, which provides the coercive power to accomplish this end. "Government," he declares:

rests ultimately upon force. It speaks not with tongues, but with the mighty arm of the law. It is the greatest power for good that exists among men. Where individual and voluntary effort fails because it cannot say 'Thou shalt,' and 'Thou shalt not,' individuals can cooperate in politics and summon to their aid the irresistible power of the State, whose commands must be obeyed."⁵⁷

On another occasion, he writes:

.... Government is the only supreme authority among men. It is the only institution which can make its plans comprehensive. It is the only means whereby refractory, obstructive, and selfishly interested elements of a society may be brought into line with social progress.⁵⁸

Commons' writings are suffused with examples of where the rich or politically well connected have unjustly benefited from prevailing economic, political or institutional arrangements. During the Pullman strike of 1894, for example, Commons likens Pullman, Carnegie and others to Charles I or Louis XIV. By controlling the political process they wielded almost dictatorial powers over the lives and well-being of the underprivileged masses. The only remedy to such egregious abuse of power is for workingmen to secure their economic livelihood through the political process.⁵⁹

He provides a second example in, "The Educated Man in Politics." The corporation, he asserts, exists solely on the basis of the laws established by the state. The state therefore retains the right to dictate the terms and conditions under which corporations operate. It can establish that "no corporation can do business which works its employees more than eight hours a day, or which does not guarantee to them the right of employment without fines and perquisites so long as they honestly do their work." "Stockholders," he goes on to write:

... can easily evade their responsibilities to the working people who make their money for them.... Here is a subject for far reaching political action. In the very nature of the case nothing but the coercive power of government can avail. And here is noble opportunity for the educated Christian to become a practical politician for the good of his brothers.⁶⁰

In this passage Commons underscores the role of political activism on the part of Christians as a means to curtail the oppressive power of corporations. Other areas where Christians and like-minded individuals could have an immediate and beneficial effect on government were child labor laws, prison reform, intemperance, occupational safety, sanitary regulations, municipal ownership of public utilities, improvement of tenement housing, etc. "Laws," Commons declares, "must be framed and executed all the way from those which are merely permissive up to those wherein the government absorbs and monopolizes the affair in hand."⁶¹ He was aware that such an effort when fully implemented represented nothing less than the Christianization of government. It was Dr. Gladden, Commons writes, who identified the 'Christianizing of our government as the most immediate and most urgent of all our Christian duties.'⁶² It was now up to reform-minded Christians to take the initiative and realize the objective.

Commons recognized, however, that the identification of an objective is one thing, its realization quite another. "There are," he writes, "very few Christians who comprehend the strategic position held by government as the key to all social reforms and the

Christianization of society."⁶³ It would therefore be premature to expect a sudden and dramatic change in political awareness and activism. Moreover, even if "these classes [Christians] who are in a majority"⁶⁴ were to take a more active role through the ballot box it is not clear whether such efforts would be sufficient to engender lasting social reform.

The problem, as Commons perceived it, was that social reform would have to be achieved through the legislative branch of government. In addition to being the most politically corrupt and inept of the three branches of government, its very structure stifled new or progressive legislation. Social reform through the political process was therefore an uphill struggle at best. He writes:

If we are so foolish as to entertain dreams of what we fondly call the Christianizing of society, at the very threshold of our hopes we are scoffed at by these usurpers of the citadel. Here is where the first movement upon the forces of social wrong must be made. The key to social reform is political reform, and the key to political reform is the legislative department of government.⁶⁵

Commons identifies two reasons why Christian political activism would in all likelihood be frustrated by the prevailing political system. The first had to do with the integrity and availability of qualified people. It was generally known that the political process tended to reward self-seeking politicians with long and illustrious careers while penalizing honest ones with short and rather inconsequential careers. This perverse system of incentives had, in Commons' estimation, contributed to an almost paradoxical shortage of qualified candidates. Commenting on this problem, he writes:

I do not say that there are no exceptions to my description of legislative assemblies. In every legislature and municipal council are to be found able, clean and honest men, sincerely striving to do their duty. But can any one show a man who will consent to remain in a State legislature or a city council for more than one or two terms? If he is not ousted by machine methods he will soon voluntarily abandon his venture. He is made to feel that he is out of his place. He can have no influence over his fellow

legislators. He therefore declines re-election; and if his constituency is an exceptionally good one, another man like him will be elected, only, however, soon to follow his predecessor.⁶⁶

He later writes:

.... Politics is a business. The successful politician must give his whole time to the profession. The primaries and the polls are the least part of his work. There must be professional politicians who act as leaders of political interests, just as there are professional doctors, lawyers, teachers. The true problem is not how to do away with professional politicians, but how to get better professionals.⁶⁷

The second problem Commons identifies stems from the legislative process itself. Due to majority voting and "machine" politics, municipal, state and federal legislatures had become instruments for social repression. One of the consequences of plurality or majority voting was a tendency of the electorate to ignore candidates who were not affiliated with one of the two major party "machines." As a consequence, candidates who held views or opinions which in some way threatened the interest of small but, nevertheless, influential groups, as was commonly the case with small third party candidates, were seldom elected. The end result was a dearth of progressive legislation as both parties sought to retain power by obliging small but powerful vested interests. Commenting on the inadequacies of the prevailing political process, Commons writes:

... our system of elections is so contrived that reform politicians cannot get elected. We elect a single candidate by a majority or a plurality vote. This narrows the choice down to the two candidates representing the two great political parties - that is to say, representing the two machine organizations, and the professional politicians of those parties. A candidate free from the rule of the machine cannot be elected unless he can get a majority of the votes. But, as everyone knows, reform movements must grow gradually from little beginnings, and therefore a vote for a third candidate is a vote thrown away, or rather, a vote for the machine of the opposite party... Consequently our system prevents reform elements from having almost any political influence whatever.⁶⁸

The only solution in Commons' opinion was to replace majority rule with a system of proportional representation. "What is needed", he contends, "is a system whereby these reform elements can elect representatives and alderman *by less than a majority or a plurality vote.*" Citizens should be able to "elect representatives in proportion to their numbers, and not be compelled to wait for representation until they can secure a majority of the voters in one or more districts." "The key to social reform," Commons concludes, "is some effective kind of minority or proportional representation."⁶⁹

In addition to proportional representation, Commons also recommended the referendum as a "powerful instrument for progressive reform in the present political exigencies." By removing reform questions from party politics it would "permit the people to vote their real sentiments on important measures." Numerous issues of pressing concern could be immediately settled without being waylaid by a corrupt or apathetic legislature.⁷⁰ Commons hastens to add, however, that "direct legislation [referendum] alone cannot carry social reform beyond a limited field...." He therefore recommends two other measures: secret ballot and civil service reform. While both "are much better known and are rapidly on the road to adoption," Commons, nevertheless, considered their adoption to be key steps towards the Christianization of government.⁷¹

Commons identifies numerous examples of how a Christianized government would serve to promote the general welfare and promote the cause of social reform across a broad spectrum of issues. "Children's rights," for example, "must be defined and enforced as against the rights of parents..."⁷² The question of tenement housing would receive a fair and impartial hearing and "the reform itself would progress as rapidly as public education prepared the people for it ..." ⁷³ The same would be "true of every other reform. Street-cleaning, sewerage, local monopolies, public works, saloons, would all be dealt with in a scientific, progressive fashion."⁷⁴

The legislature or city council would once again become a place where the progressively-minded individual could present his ideas without fear of ridicule or retribution. "Good men," Commons writes, "would seek places in its deliberations, knowing that thereby they could exert a potent influence in bettering the conditions of their fellow-citizens."⁷⁵ The prestige and power of special interest groups would be diminished. While "the baser and corrupt elements" would still be represented and "gamblers and saloon-keepers" would still manage to acquire a share of the vote, "instead of getting a majority ... they would get only as many as were proportional to their numbers." "And," Commons adds, "there is not a city in the land, not even the worst, where the baser elements on a fair count are not in the minority."⁷⁶

Local politics would take on a newfound importance. The "spectacular questions" such as "protection and free trade, silver and foreign affairs" are relatively inconsequential when compared to "the vital political questions," which "are to be settled in," in one's own "village or city, and in his own State."⁷⁷ It is at local state levels where questions such as women and child labor, the eight hour day, public works and sanitation, intemperance, crime, tenement housing, and the like are decided, and it these issues which are of greatest importance to the working man. In conclusion, Commons writes:

Applied Christianity could find its true place in municipal reform instead of being ignominiously excluded. And when the same principles should be extended to State legislatures and the federal Congress we must surely agree that for the first time the key to the social situation would be held, and that by far the most important practical advance would be made towards realizing on earth the kingdom of God.⁷⁸

Commons' plan for the Christianization of government was, of course, never implemented. Even when one accounts for the fact that such a vision was shared by a sizable part of the populace, the plan, at least from a contemporary perspective, appears to have been overly ambitious. Indeed, one can name any one of a number of reasons as to why such an effort might have failed: the program was much too ambitious and suffered from

inability on the part of its principal advocates to organize an effective political alliance; the opposition controlled the media and could be counted upon to outspend and outmaneuver any effort by a poorly organized group of Christian idealists; an entrenched political structure at the federal, state and local levels tended to favor the opportunist over the reformer on most key social issues; the populace was generally apathetic and ignorant and failed to lend much needed support; and, finally, even if a campaign to Christianize government were to prove politically successful, there are questions concerning its constitutionality - questions which Commons addresses only in passing.⁷⁹

Given the monumental nature of the endeavor and the numerous pitfalls associated with such a grandiose vision, Commons' plan almost has an air of peculiarity or unrealism associated with it. Yet, it is apparent that he was quite serious concerning the imperative of the task and was even guardedly optimistic concerning the probable outcome. In the concluding paragraph in his address "The Church and the Problem of Poverty," he posits the following rhetorical question: "Does it seem a hopeless matter to enlist the churches in this kind of work?" In answer to this question, he declares: "I see no other way for the Church truly to awake to her duty and her opportunity, and to learn what to do and how to do it."⁸⁰ Or, consider the following passage underscoring his belief that legislative and social reform under Christian tutelage could truly revolutionize American society:

Furthermore, the problem of poverty - or any other social problem - to my mind has no significance except as it is a religious problem. Man is made in the image of God. His possibilities are divine; and it is an appalling sight to see the godlike crushed out of such a being by poverty, by crime, by intemperance, by his social and industrial surroundings. When the Christian Church awakes to the daily life in the dark places about her, and understands the essential religious nature of the problems of labor, poverty, monopoly, then may these problems be put in the true way of solution.⁸¹

Commons appears to be suggesting that the problem lies not with the capability of the church to effect dramatic change, but its willingness to do so. In the closing sentence of his address on the "The Church and Political Reforms," he writes: "So important are

these [political reforms] as a key to all social reforms, that with their adoption we might expect greater social progress in five years than the present bungling methods permit in twenty-five years."⁸² This would seem to suggest that he considered the participation of the church to be not only a necessary condition to social reform, but a sufficient condition as well.

The problem, in Commons' estimation, was simply one of the awakening the church from its present slumber and permit the ideals of love and fellowship - the hallmark of historic Christianity - to guide the efforts of elected officials at all levels of American government. When combined with individual Christian *praxis*, the ability of the church to reshape American society would then be, in Commons' assessment, almost limitless.

The church, unfortunately, was either unaware of its potential or simply unwilling to engage in such an effort. It was towards this latter problem that Commons directed a considerable part of his attention. This type of negligence was not always conscious or deliberate, but rather a result of misunderstanding and ignorance. The church, Commons argued, placed too much of an emphasis on the symptoms of the problem and not enough emphasis on the causes. He writes:

... I do not say that this is the attitude of the whole Church today. But the Church's ignorance of modern science, and her bias toward old dogma, still appear in the way in which she attacks only the symptoms and results of social disease, and not the causes. The intemperance question is to be solved simply by abolishing the saloon - regardless of the fact that intemperance itself is the result of profound social conditions. Sunday labor is the only labor problem attacked - and that only in its spectacular and relatively harmless occasions - and the irresistible economic necessities of modern civilization which compel Sunday labor are overlooked. Corrupt city government is ascribed, not to its real causes, but to the sinfulness of politicians - whereas the fact is that in city politics all our political and social machinery is so arranged that the best men are, as a rule, barred from success.⁸³

The examples referenced here were intended to suggest a lack of understanding or appreciation of prevailing economic and political relationship, an ignorance which could be

overcome through study and scholarship. A second - and much more fundamental reason - concerned the theological doctrine which held that man's fallen nature precluded any effort to reform society apart from spiritual regeneration. A central tenet of orthodox Protestantism is that man is inherently sinful and depraved. While the trappings of civilization may cloak humanity's depravity, society and all of its norms and mores represent at best a symptomatic repression of man's evil nature. Socialization does not - indeed cannot - alter the human nature. Such change when it occurs can only be brought about through spiritual regeneration, which, in turn, requires a personal knowledge and acceptance of Jesus Christ as one's Lord and savior. Given this belief, it stands to reason that orthodox Protestantism would emphasize salvation first and foremost, often to the exclusion of all other considerations. Efforts to reform individual or social behavior apart from this one salient consideration were therefore considered to be for the most part simply an exercise in human futility.

While theologically sound, at least to those who professed such beliefs, this doctrine had several unforeseen and unintentional consequences. Due to an apparent unwillingness to take a progressive position on social issues the church became increasingly perceived as an apologetic tool for business interest and capitalism, in general. The church which originated as a champion of the poor and downtrodden had, at least in the eyes of some, evolved into an institution for repression. While this fact alone was enough to warrant considerable concern, it was the schism which it engendered between the laboring classes and the church which drew the ire of Christian social reformers and theologians alike. The church, Commons writes:

... has made her spiritual appeal to men who could not possibly do more than supply their earthly wants, and has made no effort to help them where they needed help. Is it any wonder they revile her? The Church has left the radical religious question, the betterment of social conditions, to atheists and agnostics... The Church is to blame that she has withdrawn from the field where God and duty and the example of her Savior called her to lead, and left it to those who sought only the loaves and the fishes.⁸⁴

Commons raises a second issue in this passage: the belief that salvation was solely an eternal matter and, as such, is fully removed from the vicissitudes or circumstances of man's life here on earth. Commons was highly critical of this view as well, writing:

The workingman of today, unless protected by his powerful labor union, is slavish in his instincts. I speak of laborers as a class, for there are noble exceptions. He is distrustful, jealous, incapable of cooperation, treacherous to benefactors and fellow-laborers, and an eye-servant. These pitiful qualities of his soul are but the natural fruit of his unstable, dependent conditions of livelihood. How is Christianity to reach such a man with its noble qualities of truth, love, honor, fidelity, manliness, until it has first created for him those physical conditions of life and true independence out of which such qualities can spring?⁸⁵

Winning the lost souls to salvation not only required evangelical zeal, but also some minimal level of social and economic sustenance. Insofar as the church refused to acknowledge the latter element as a key to salvation, it had essentially abrogated its responsibility to mankind. Moreover, it was not because of a lack of leadership, resources, initiative, inertia, etc., that led the church to adopt such an position, but a fundamental lack of will. The 19th century church had accomplished much in the way of world evangelism and over seas missionary work. There was no reason to believe that a comparable effort directed towards domestic needs would be any less successful. The refusal to engage in social reform was not born out of necessity, but reflected instead a willful disregard for the spiritually lost who due to their circumstance were unable to come to Christ. Commons writes:

The home is the place where, most of all, environment tells. Overwork for women and children is the physical basis for crime, intemperance, and vice. The youth, the man, or the woman who has grown up in a home - or the mockery of a home - such as this, can never escape from the prison of his own faltering body. His soul, as long as its physical house endures, is incapable of steadfast, noble impulses. The appeals of Christianity are incomprehensible to him. And yet who has heard that the church, in its assemblies, its pulpit, its press, or its hundred of committees or sub-organizations, has taken up systematically the cause of the women and the children

workers? No, her voice has not been heard for reforms that threaten profits. Her appeal has been for men to share their profits with her - to build her magnificent temples and swell her missionary accounts.⁸⁶

This unflattering portrayal of the orthodox Christian church was typical of the criticisms employed by other advocates of the social gospel during this period. It would be a mistake, however, to conclude that Commons adopted all of the doctrinal views associated with this newly emerging doctrine. He never disputed as some did the inherent sinful nature of man, nor did he disavow the importance of personal salvation as the foundation of Christian doctrine. He also concurred with the commonly held orthodox belief that personal regeneration is an essential complement of social regeneration. Where he differed from orthodox doctrine, however, was in the belief that causality goes both ways; that is, he believed that social regeneration is both the cause and effect of spiritual regeneration. He writes:

Yet I do not rule out the eternal verities of religion as they are emphasized today, - the sinfulness of man, his need of conversion, the transforming power of faith in Christ and immortality. Indeed, I believe that true science shows these to be essential to social regeneration. Man, after all, is not an animal: he is a being of aspiration; he rises by his efforts toward the ideal; he is not to be lifted up from beneath and carried into the realms of manhood and righteousness, but he is to be lured and won and inspired by longings for faith, hope, love; yet he is at the same time the creature of his environment.⁸⁷

Commons' belief concerning the role of social reform as a predisposing element in personal salvation was never widely accepted among mainline Protestant churches.⁸⁸ This probably more than any other factor contributed to the failure of the Social Gospel movement in general and his plan in particular to be actively adopted in more than a select group of churches. Commons clearly recognized that the success of the movement would be predicated on a significant redirection of resources from sermons and missionary work to social work. He was also aware that a redirection of such consequential importance

would have to be premised on more than simply a desire to help the unfortunate - it would require nothing less than a fundamental transformation in doctrine.

By emphasizing the importance of social regeneration as a handmaiden to salvation, Commons and others like him set about to accomplish this very thing. It was not to be, however, as critics of liberal theology launched an increasingly vocal, and largely successful attack against the theological premises underlying the Social Gospel movement. By the 1930s, the Social Gospel movement had ceased to be an important factor in American religious life.⁸⁹ Commons, however, came to recognize the apparent futility of such efforts much earlier. His interest in socioreligious matters waned shortly after the publication of *Social Reform & the Church*, and he was never again to return to the religious zealotry that characterized his early writings. What is interesting, however, is that many of the social reforms and research methods alluded to in *Social Reform* were later refined and implemented with much fanfare and considerable success during his years as an influential faculty member at the University of Wisconsin. Perhaps, Commons came to the realization that what was important was not *how* the Kingdom is to be established, but only that it somehow *be* established. It is with regard to this latter interpretation that his earlier work can be viewed as a success.

Footnotes

- ¹ Dorfman, Joseph. *The Economic Mind in American Civilization*. Volume 3. 1865-1918. New York: Viking Press. 1949. p. 276.
- ² Commons, John R. *Myself*. The Autobiography of John R. Commons. Madison, WI: University of Wisconsin Press. 1963. pp. 8-9.
- ³ *ibid.*, pp. 10-11.
- ⁴ *ibid.*, p. 22.
- ⁵ *ibid.*, p. 16.
- ⁶ *ibid.*, p. 43.
- ⁷ *ibid.*, p. 43.
- ⁸ Commons, John R. "A Popular Bibliography of Sociology." Oberlin College Library Bulletin, January. 1892. Quoted from Hopkins, C.H., *The Rise of the Social Gospel: American Protestantism, 1865-1915*. New Haven: Yale University Press. 1940. p. 166.
- ⁹ *op cit.*, *Myself*, p. 51.
- ¹⁰ "American Institute of Christian Sociology." Bliss, W.D.P. (Ed.), *The Encyclopedia of Social Reform*. New York: Funk & Wagnal. 1897. Quoted from Hopkins, C.H., *The Rise of the Social Gospel*, pp. 164-165.
- ¹¹ *op cit.*, *Myself*, p. 51.
- ¹² White, Ronald C. and C.H. Hopkins. *The Social Gospel: Religion and Reform in Changing America*. Philadelphia. 1976. p. 150.
- ¹³ *ibid.*, p. 150.
- ¹⁴ *ibid.*, p. 150.
- ¹⁵ *ibid.*, p. 150.
- ¹⁶ Commons, John R., "The Church and Political Reforms." In Commons, John R., *Social Reform & The Church*. New York: Augustus M. Kelley. 1967. pp. 71-72.
- ¹⁷ *ibid.*, pp. 8-9.
- ¹⁸ *ibid.*, p. 10.
- ¹⁹ *ibid.*, p. 23.
- ²⁰ Commons, John R., "The Church and the Problem of Poverty." In Commons, John R., *Social Reform & The Church*. New York: Augustus M. Kelley. 1967. p. 31.
- ²¹ *ibid.*, p. 31.
- ²² Commons, John R., "The Christian Minister and Sociology." In Commons, John R., *Social Reform & The Church*. New York: Augustus M. Kelley. 1967. p. 6.
- ²³ Commons describes the "educated man" as a person whom though he may not be the "signer to any formal creed" having "rightly grasped the fruits of the highest education ... must accept the ethical teachings of Christianity." Quoted from Commons, John R., "The Educated Man in Politics." In Commons, John R., *Social Reform & The Church*. New York: Augustus M. Kelley. 1967.
- ²⁴ *ibid.*, p. 66.
- ²⁵ *op cit.*, "The Church and Political Reforms," p. 73.
- ²⁶ *op cit.*, "The Church and the Problem of Poverty," pp. 32-33.
- ²⁷ *ibid.*, p. 33.
- ²⁸ *ibid.*, pp. 33-34.
- ²⁹ *op cit.*, "The Church and Political Reforms," pp. 72-73.
- ³⁰ Commons, John R., "Temperance Reform." In Commons, John R., *Social Reform & The Church*. New York: Augustus M. Kelley. 1967. pp. 100-101.
- ³¹ *op cit.*, "The Christian Minister and Sociology," p. 7.
- ³² *ibid.*, pp. 7-8.
- ³³ *op cit.*, "The Church and the Problem of Poverty," p. 29.
- ³⁴ *op cit.*, "The Christian Minister and Sociology," pp. 3-4.
- ³⁵ *ibid.*, pp. 4-5.
- ³⁶ *op cit.*, "The Church and Political Reforms," p. 76.

- 37 op cit., "The Christian Minister and Sociology." p. 26.
- 38 op cit., "The Church and Political Reforms." p. 74.
- 39 *ibid.*, p. 75.
- 40 Commons is critical of the "the law of diminishing return" as a limiting factor or "natural" cause of poverty. "True, he writes, "there are natural conditions, but natural conditions have become of inferior significance.... the machinery and inventions, the aids to production, all that go to make up the wealth of our country, are so abounding that if the American people seriously wished it, there would not be an able-bodied pauper or tramp among us." op cit., "The Christian Minister and Sociology." p. 15.
- 41 *ibid.*, pp. 14-15.
- 42 *ibid.*, 13.
- 43 op cit., "The Church and Political Reforms." p. 76.
- 44 op cit., "The Christian Minister and Sociology." pp. 13-14.
- 45 *ibid.*, pp. 12-13.
- 46 *ibid.*, p. 16.
- 47 *ibid.*, pp. 16-17.
- 48 *ibid.*, p. 17.
- 49 *ibid.*, p. 18.
- 50 *ibid.*, p. 18.
- 51 *ibid.*, p. 19.
- 52 *ibid.*, p. 26.
- 53 *ibid.*, p. 25.
- 54 op cit., "The Church and the Problem of Poverty." p. 46.
- 55 op cit., "The Educated Man in Politics." pp. 64-65.
- 56 op cit., "The Church and the Problem of Poverty." p. 46.
- 57 op cit., "The Educated Man in Politics." p. 54.
- 58 op cit., "The Church and Political Reforms." p. 77.
- 59 op cit., White, Ronald C. and C.H. Hopkins, p. 151.
- 60 op cit., "The Educated Man in Politics." pp. 62-63.
- 61 op cit., "The Church and Political Reforms." p. 77.
- 62 *ibid.*, pp. 77-78.
- 63 *ibid.*, p. 78.
- 64 *ibid.*, p. 83.
- 65 *ibid.*, p. 83.
- 66 *ibid.*, pp. 82-83.
- 67 *ibid.*, pp. 83-84.
- 68 *ibid.*, pp. 84-85.
- 69 *ibid.*, p. 85.
- 70 *ibid.*, p. 93.
- 71 *ibid.*, p. 94.
- 72 *ibid.*, p. 78.
- 73 *ibid.*, pp. 90-91.
- 74 *ibid.*, p. 91.
- 75 *ibid.*, p. 91-92.
- 76 *ibid.*, pp. 89-90.
- 77 op cit., "The Educated Man in Politics." p. 65.
- 78 op cit., "The Church and Political Reforms." p. 92.
- 79 Commons indirectly comments on this issue when he writes: "To-day we have wisely separated Church and State. But we have carried it too far. We have separated Christians and politics....." op cit., "The Church and Political Reforms." p. 95.
- 80 op cit., "The Church and the Problem of Poverty." p. 48.
- 81 *ibid.*, p. 30.
- 82 op cit., "The Church and Political Reforms." p. 96.
- 83 op cit., "The Church and the Problem of Poverty." pp. 30-31.
- 84 *ibid.*, pp. 43-44.

85 *ibid.*, pp. 36-37.

86 *ibid.*, pp. 40-41.

87 *ibid.*, pp. 42-43.

88 The *Churchman* condemned Commons' *Social Reform and the Church* as an "inversion of the Gospel." *The Churchman*, June 23, 1894, p. 761. Quoted from May, Henry F., *Protestant Churches and Industrial America*, New York, 1949, p. 139.

89 *op cit.*, White, Ronald C. and C.H. Hopkins. *The Social Gospel*, p. 243.

Richard Ely

Richard Ely had a greater influence upon American Christian economic thought during its formative period than any other individual described by John Everett as the "prophet of religious economics,"¹ Ely sought to infuse elements of German historicism, English Christian socialism and American Protestantism into a movement for social change. A prolific writer, he published a continuous stream of tracts, articles, and books on the role of Christianity as both a determinant in social and economic thought and as a force for social justice. In addition to writing, he lectured at the Chautauqua summer Methodist camp, was the founder and first secretary of the American Economic Association, played an instrumental role in the establishment of the American Institute of Christian sociology; and was widely influential in both academic and religious circles. Commenting on the influential nature of Ely's work, James Dombroski, an historian of religion, writes that "previous to 1890 ... no other man did more to turn the attention of organized religion in the United States to the ethical implications of the industrial revolution and to the religious obligations in the field of economics than Richard T. Ely."²

Born in Riply, New York, on April 13, 1854. Ely was the "fifth Richard in direct line from the first Richard who settled there [Old Lyme, Connecticut] some time between 1660-1670."³ His family history is rich with stories of religious devotion, thrift, hard work, sincerity, honesty, and humility. Many of his forebears were Presbyterian ministers and several gained a measure of recognition as leading figures in the church. Ezra Stiles Ely, for example, caused an uproar by advocating sweeping changes in Pennsylvania politics and the formation of a united Christian party during the Jacksonian period.⁴

Richard's father, Ezra Sterling Ely, named after the celebrated Philadelphia minister, also aspired to a position in the ministry, and though family poverty prevented him from going to college, theology would remain the central focus of his life. A believer in the Calvinist doctrine of the elect, the elder Ely took his religious doctrine quite seriously.

The celebration of Christmas was regarded as a "papish" practice, tobacco was looked upon as a filthy habit, and "gambling or anything approaching it was regarded as a terrible sin." Richard was not even permitted to play marbles for "keeps."⁵ The family was strictly forbidden from engaging in non-religious activities on Sunday, and, on at least one occasion, the family hay crop was ruined because he would not permit the hay to be brought in on the Sabbath. Richard would later write that his father's doctrinaire Calvinist beliefs made "his life a rather gloomy one."⁶

Despite the stern admonitions of the Presbyterian Church and his father's unceasing efforts to direct his son "to the service of Christ and his Church,"⁷ Richard never accepted the Calvinist doctrine of his forebears. "Try as I would I could not become converted, and I finally gave up the attempt to please my father in this particular. I always rejected the idea of a good God creating the human race and then tolerating arrangements which sent a large part of it to eternal torture."⁸ Such reservations, notwithstanding, he made one last effort to become a "good Presbyterian" while he was a student at Columbia College in New York. This effort likewise failed, however, and to the "great distress" of his father, he joined the Universalist Church and even considered becoming a Universalist minister. Although the Universalist doctrine of universal salvation was much to Ely's liking, he later rejected Universalism in favor of the sacramentalism of the Episcopalian Church which "offered a fuller and richer life."⁹

Despite theological differences, Richard greatly admired his father and was influenced in no small measure by his zeal for social reform. Although his father's theological beliefs were stern even by Presbyterian standards, he was a firm believer in egalitarianism and social justice. On one occasion, much to the chagrin of his family, he appeared in church in farm overalls so as to demonstrate "that rich and poor alike should be welcome in the house of God..."¹⁰ On another occasion, he was troubled when his wife purchased plate silver which he considered much too ostentatious for a Christian household.¹¹ In his autobiography, Ely recalls with fond admiration an article the elder Ely wrote denouncing

inhumane conditions at the Chautauqua (New York) County jail. Detention, Ezra maintained, serves two purposes: "The protection of society and the reformation of criminals. With respect to the first, I believe that jail furnishes only a slight and temporary relief, and as to the second, it fails, worse than fails; it works a contrary result."¹² Commenting on his father's zeal for social justice and the resulting influence on his own beliefs, Ely would later write:

Above all, as this phrase indicates, my father was a humanitarian and a believer in social progress. Whatever might be our Fate in the Hereafter, it was our job to make the present world better - this was his philosophy. In our family prayers each morning he repeated a prayer the substance of which was that we could not be real Christians unless we contributed our part to the betterment of our fellow-men.... My father was ever guided by a strong desire 'to set it right.' And I, too, even in boyhood, felt this same desire to 'set the world on fire.'¹³

In 1876, during his final year at Columbia College, Ely "decided to go to Germany to study philosophy and find the 'absolute truth.'"¹⁴ Influenced by his professor in "common sense" philosophy, Charles Nairne, he applied for and was awarded a three-year fellowship. "Incredibly as it may seem," however, "[he] could not find on the Columbia faculty a single man who could [say] anything definite about German universities."¹⁵ Undeterred, he sought out the advice of Noah Porter, President of Yale University, who recommended Professor Ulrich, at the University of Halle.

In September 1877, Ely arrived at Halle only to discover that Ulrich was very old and had retired from teaching. Despite the apparent setback, he enrolled in a rigorous program with course work in philosophy, Greek, Latin, psychology, "and two auxiliaries, political economy and history." As the year progressed, however, it became evident that German philosophy gave rise to more questions than it resolved. "Slowly," Ely writes, "I began to abandon the idea of making philosophy my major. While this process of discarding my original ambition was going on, a new and attractive goal was suggested to me.... friends in Heidelberg, sent enthusiastic reports from that university about the admirable

work done there in economics and political science, and they were equally enthusiastic about the beauties of the place."¹⁶ Such reports and a growing disillusionment with philosophy convinced the young American social reformer to transfer to Heidelberg. He writes: "I finally decided that if I did possess any speculative capacity, I would have ample room for exercising it in economics, where I could keep my feet on the ground..."¹⁷

Upon arriving at Heidelberg in April 1878, Ely quickly became an enthusiastic disciple of the German historical economist Karl Knies - the person he would later acknowledge "as *My Master*."¹⁸ Economic man, in Knies' estimation, was not the immutable, self-motivated, hedonistic creature posited in classical political economy, but a complex living organism who was shaped by a multitude of social, economic, and historical factors. In order to understand political economy one had to understand man, and to understand man one had to master the manifold relations which shaped human behavior.¹⁹

The German historical school was also critical of the absolutism associated with classical political economy. Absolutism, Knies' declared, took two forms: perpetualism, which holds that economic theory does not change over time; and cosmopolitanism, which assumes that economic theory is applicable to all countries and cultures. Knies was of the belief, Ely writes, "that perpetualism was a worse form of absolutism than cosmopolitanism." "It is," Ely continues, "a more serious error to suppose that the same policy is applicable to all times than to suppose that it is applicable to all lands." Commenting years later on the influence of Knies' relativist views on his own socioeconomic thought, Ely writes: "Imbued with this philosophy I felt contempt for the dogmatic English economics, which was uncompromising in its opposition to protection. From Knies and others I was learning a fundamentally scientific approach in which relativity and evolution played a large role."²⁰

The third and final element advanced by Knies and other German historical economists was the emphasis placed on a holistic approach to economic science. Economic relations could not be understood apart from the multitude of social relations

embodying it. These included such factors as language, religion, art, science, law, government and the family. In accordance with this view, the historical school advanced a detailed and rigorous research agenda aimed at uncovering or revealing the crucial relations underlying economic activity. Since understanding could only be derived through a careful sifting of the facts, the inductive method was considered the appropriate mode of scientific inquiry. In a letter to his mother from Heidelberg, Ely writes, "you learn here, and only here how to do independent, real scientific work."²¹

Upon graduating *summa cum laude* with a Ph.D. in political economy at Heidelberg, Ely spent a "not very profitable" five months at the University of Geneva. Returning to Berlin for the third year of his fellowship, he had the good fortune to attend a number of lectures given by the noted "professorial" socialists Ernst Engle and Adolph Wagner. The following year, Ely left Germany, spent a short time in England, and then "landed" in New York. "The city," he later writes, "was dirty and ill-kept, the pavement poor, and there were evidences of graft and incompetence on every hand." After a momentary impulse to return to Europe, he realized that America was the home of his ancestors and "vowed to do whatever was in his power to bring about better conditions."²² It would be over a year, however, before an appointment at Johns Hopkins University would afford him an opportunity to make good on his promise.

Over the next eleven years Ely used every method at his disposal to advance his vision of social justice. A curmudgeon by disposition, he challenged both the church and the economics profession to adopt a more progressive, forward looking policy towards the laboring classes. The church, he asserted, had become an instrument for social repression. In order to retain the allegiance of the growing population of urban poor, it would have to honor its historic role as a purveyor of socially progressive laws and customs.²³ This effort was to be aided and abetted by the state and the collective body of Christian believers, both of which Ely considered indispensable elements in the reformation of society.

The economic profession had likewise become an apologetic institution, supporting, more often than not, the interest of the propertied class on issues of social and economic justice. The profession, Ely argued, would be well-advised to adopt a mode of economic inquiry which would be less supportive of the current socioeconomic system and more responsive to the needs of humanity - an economics not premised on a callous disregard of one's fellow man, but on socioreligious development, economic cooperation, altruism, social consciousness, and Christian love.

In "The Past and The Present of Political Economy" (1884), Ely launched the first of what would be a series of unrelenting attacks on orthodox political economy. In initiating the discussion, Ely recounted the events surrounding the centennial celebration of *The Wealth of Nations*, several years earlier. The celebration, he asserted, was notable, not so much for the praise bestowed on Adam Smith's classic work, but for the controversy it engendered on the issue of economic methodology.²⁴ The economics profession had become split into two opposing camps: the English or classical school which supported a mechanistic, deductive approach to economic science; and the German or historical school which emphasized a holistic, inductive approach.²⁵

The "old school," as Ely referred to it, was typified by the writings of "Malthus, Ricardo, Senior and the two Mills, James and his son John Stuart."²⁶ Among the doctrines Ely attributed to this school were: a reliance on a few hypothetical deductive relations, a universal characterization of human behavior, an absolute lack of friction in economic movements, and the unleashing of the beneficent power of nature through self-motivated economic action. "The perfectly logical conclusion drawn from this hypothesis," Ely writes, "was that government should abstain from all interference in industrial life. *Laissez-faire, laissez-passer* - let things alone, let them take care of themselves - was the oft-repeated maxim of *a priori* economists."²⁷

Upon identifying some of the more favorable attributes of English political economy, Ely goes on to explain "how it broke down both as a scientific system and as a political guide." "*Laissez-faire*," he continues,

never held at any time in any country, and no maxim ever made a more complete fiasco when the attempt was seriously made to apply it in the state. The truth is, the stern necessities of political life compelled statesmen to violate it in England itself, even when proclaiming it with their lips. This was first done apologetically, and each interference was regarded by the school as an exception to the rule; but it finally began to look as if it were all exception and no rule. Interference was found in every time of distress, as during our late Civil War, when [the English] government borrowed money for public works to give employment to the Lancashire operatives at the time of the cotton famine. Every reform in the social and economic institutions of Great Britain has been accomplished only by the direct, active interference of government in economic affairs...²⁸

The consequences of this discredited philosophy, Ely declared, should not go unmentioned. "It was tried in the early part of this century in English factories, with results ruinous to the morality of women and destructive of the health of children." Upon observing both American slavery and the English factory system during the halcyon period of *laissez-faire*, Robert Owen, the English industrialist and social reformer, "regarded the white slavery in the manufactories of England as far worse." Children, sometimes no more than six and even five years of age, were required to work "fourteen, sometimes fifteen, and in the case of the most avaricious employers even sixteen hours a day; and this in mills sometimes heated to such a degree as to be injurious to health." Government reports on the condition of the laboring classes during this period, Ely goes on to write, depicted a level of moral and physical degradation of such grievous nature as to "put to shame any country calling itself civilized and Christian." It was only with the subsequent enactment of the Factory Act, sanitary legislation and other measures violating the spirit of *laissez-faire* that conditions started to improve.²⁹

Ely also took issue with the harmony of interest doctrine advanced by Bastiat and other proponents of the classical school. The interest of capitalist and workers, Ely maintained, are not one in the same. If this were true "the solution of the Social Problem would indeed be an easy task. businessmen know, however, that ... the larger the proportion of profits received by capital, the smaller the proportion received by labor." The very basis for asserting a harmonious doctrine "is at complete variance with the teachings of modern science." Reconciliation between the classes, Ely declared, can only be brought about through "a higher moral development." "The element of self-sacrifice," a virtue he would expand upon in his later writings, "must yet play a more important role in business transactions, or peace and good-will can never reign on earth."³⁰

Ely relied on historical evidence to critique a number of other doctrines held by classical economists. Self-interest was not, as commonly maintained, the chief motivating force propelling economic life. History, Ely maintained, clearly demonstrates that other considerations such as "national honor, devotion to principle, an unselfish desire to better one's kind" are just as likely, if not more likely, to account for the movements of the masses. In supporting this contention, he cites two notable examples from American history: the unwillingness of other ports to take advantage of the British restrictions on Boston shipping shortly before the American revolutionary war, and the Civil War when "American people again showed their detractors that there was that which they valued more highly than commercial gain."³¹

Self-interest, he asserted, was not necessarily wrong nor was it incompatible with altruism. Indeed, altruism without self-interest could even be considered immoral, since a failure to support one's self implies dependency upon others. Conversely, "self-interest without consideration for others becomes selfishness.." Quoting his former master Karl Knies, Ely writes, "selfishness is self-love plus 'indifference, disregard for others, enmity and readiness to rob every other individual and the commonwealth;' and, as an evil tree, it cannot bring forth good fruit." "Altruism," he went on to add, "must and does accompany

self-interest, and with the progress of individual and national morality they become ever more closely allied. It is therefore for the interest of society that my self-interest should prompt me to procure those economic goods which are necessary to support life, but always with regard for others." The "ideal of economic life," Ely asserts, is the "union of self-interest and altruism in a broad humanitarian spirit."³²

The idea of social and economic cooperation, as identified here, was closely connected to yet another criticism of classical political economy; namely, the assumption that individuals are somehow separate from their social surroundings. Ely writes: "from a purely scientific standpoint, we do not live for ourselves alone, but for one another as well as for ourselves." "We are," he continued, "inextricably and organically bound up in state and society. What we call self-interest is *as a rule* not interest for one individual. It is a desire for the welfare perhaps of two, three or four united in a family, perhaps of a circle of friends or relatives, perhaps of a town, city or state." In conclusion, he writes: "that it is not individual self-interest, *but social considerations which are the first and foremost factor in economic life in modern times.*"³³

In support of this assertion, Ely noted the considerable difference in the status afforded similar occupations in different countries. In Germany, honor and prestige is conferred on those who devote their lives to serving the state, whether as a civil servant, as an army officer or as a university professor. In America, on the other hand, "the ablest men have hitherto as a rule devoted themselves to commercial and industrial undertakings." It was not wealth, Ely maintained, that accounted for such a difference, but the "divergence in social estimate... due to historical causes, which no amount of pure deductive reasoning can ever discover."³⁴

"Not to extend this criticism unduly," Ely addressed one final issue: the natural laws of political economy. Natural laws - such as the iron law of wages, supply and demand, the sanctity of private property, the law of population, the necessity to labor, etc. - held an exalted position in classical political economy. While classical economists often

acknowledged exceptions to such laws, they were viewed, more often than not, as "disturbing causes." Ely took exception with this premise arguing that disturbing causes are more common than classical economists are willing to admit, and that what might be considered an exception in one country or culture is often the rule in yet another. An examination of history, he declared, reveals that most natural laws are simply a product of social custom, or worse, an apologetic rationale for maintaining a privileged position in society. "The truth," Ely writes, "is [that] the man ventures on very dangerous ground who declares a certain form of society or a given economic institution to be in accordance with the absolute law of nature."

Upon citing the work of Emile de Laveleye, the famous Belgian historical economist, M. Charles Perin and even John Stuart Mill as evidence of this contention, Ely concludes that "political economy reduced to the abstract formulae of your natural laws is an emptier scholasticism than that of the Middle Ages. It is on this account that it has lost credit; not only in Germany and in Italy, but far more in the land of its birth, England."³⁵

Inconsistencies and errors such as those cited above did not go unnoticed and as time passed Frederic Maurice, the English Christian socialist, Ruskin, Carlyle, List, Muller, Sismondi and others "repudiated the Adam Smith school, and gave many good grounds for their opposition." In so doing, however, they failed to "dig deep and lay broad, solid foundations for the future growth of political economy."³⁶ It was only with the emergence of the German historical school, in or around 1850, that a distinct and identifiable alternative to English classical political economy presented itself.

Led by the German historical economists Bruno Hildebrand, Carl Knies, Wilhelm Roscher and their followers, the school "rejected not merely a few incidental conclusions of the English school, but its method and the sufficiency of its assumptions or major premises - that is to say, its very foundation." History, they and their followers argued, afforded the best hope of unlocking the mystery of economic phenomena. They "studied the present in light of the past," adopting the name historical school "in order to ally

themselves with the great reformers in Politics, in Jurisprudence, and in Theology."

Commenting on the distinctive nature of their methodology, Ely writes:

... They adopted experience as a guide, and judged of what was to come by what had been. Their method may also be called experimental... These men did not claim that experiments could be made in the same way as in physics or chemistry.... because the welfare of nations is too seriously involved. But [they] claimed that the whole life of the world had necessarily been a series of grand economic experiments, which, having been described with more or less accuracy and completeness, it was possible to examine.³⁷

The historical school was notable in a number of ways. First, it was evolutionary and culturally specific. "The political economy of today, Ely declared, is not the political economy of yesterday; while the political economy of Germany is not identical with that of England or America." Second, the school refrained from *a priori* assertions preferring instead to postpone such assessments "until external observation ... proved them correct." Third, man, not wealth, was the subject of investigation and everything was subordinated to his welfare. "They [historical economists] are further animated by a fixed purpose to elevate mankind, and in particular the great masses... They lay... stress on the distribution as well as on the production of wealth." Fourth, political economy was considered a holistic science and the economy was portrayed as being organic in concept. "The nation," Ely writes, "in its economic life is an organism, of which individuals, families, groups and even towns, cities, provinces, etc., in their economic life form parts." Fifth, the school challenged the distinction between positive and normative economic analysis, arguing further that the alleged dichotomy between economic theory and economic policy "is as vain as the search for the philosopher's stone." Ely later writes, "it is tacitly assumed that the economist who studies economic life will not neglect to advise and to prescribe norms for the most satisfactory economic organism." Finally, the Historical School placed an emphasize on the role of the state in economic activity, on social service as an objective of

economic policy, and on social service, as opposed to individualism, as the primary force motivating economic life.³⁸ In conclusion, Ely writes,

... Again: this younger political economy no longer permits the science to be used as a tool in the hands of greedy and the avaricious for keeping down and oppressing the laboring classes. It does not acknowledge *laissez-faire* as an excuse for doing nothing while people starve, nor allow the all sufficiency of competition as a plea for grinding the poor. It denotes a return to the grand principle of common sense and Christian principle. Love, generosity, nobility of character, self-sacrifice, and all that is best and truest in our nature have their place in economic life. For economists of the Historical School, *the political economy of the present*, recognize with Thomas Hughes that "we have all to learn somehow or other that the first duty of man in trade, is to follow the Golden rule - 'Do unto other as ye would that others should do unto you.'³⁹

The conceptual themes identified in "The Past and Present of Political Economy" would remain a central focus in much of Ely's popular and academic writings for years to follow. In a three part series entitled "Christian Socialism in England," published in 1885, he decries the deplorable working conditions in English factories during the early part of the century. He writes:

Mr. Owen called a meeting of mill-owners of Scotland in 1815 to consider the subject of reduction of taxation in the raw material used and the limitation of child labor to twelve hours a day. They voted unanimously for the first proposal, while not a man would second the other motion. But it is needless to multiply instances. What has already been narrated may cause one to doubt whether the cruelties of a nation given up to the worship of Mammon are an advance upon atrocities of a Nero or the tortures of the Inquisition.⁴⁰

This unfortunate state of affairs, Ely asserted, was directly attributable to a philosophical tradition which essentially sanctioned the worst forms of avaricious behavior. Injustices such as that described here prompted men like Maurice, Ludlow, and Kingsley to challenge the consciousness of their English countrymen. Christianity had never sanctioned such evil, and neither should a country which professes to be Christian.

In an issue of *Science* magazine devoted exclusively to the controversy surrounding *Methodenstreit*, "controversy over methods," published the following year, Ely criticized the doctrines of orthodox economic thought, and went on to advance an "ethical" school of political economy. Contrary to the assertions made by the various contributors to the discussion, the distinction between the two schools of thought did not rest on issues of government intervention, economic policy, or even methodology, but on the question of ethics. "In my article," Ely writes, "I ventured the opinion that the radical difference between the old and the new school consisted, *not* in the views held of the state, but in the establishment of a new relation between ethics and economics."⁴¹

In a companion article published in the same issue of *Science*, Ely argued, that political economy is by its very nature ethical. While proponents of the "old school" sought to eliminate the ethical element in political economy, "adherents of the ethical school attempt to bring them into the closest relations - indeed, I may say, an inseparable relation." He goes on to write:

... They apply ethical principles to economic facts and economic institutions, and test their value by that standard. Political economy is thus brought into harmony with the great religious, political and social movements which characterized this age; for the essence of them all is the belief that there ought to be no contradiction between our actual economic life and the postulates of ethics and a determination that there shall be abolition of such things as will not stand the test of this rule.⁴²

"Political economy," Ely asserted, "occupies a position midway between physical or natural science and mental science." While modern science has essentially solved the problem of production, it has not adequately addressed the problem of an equitable distribution. Economics therefore largely involves institutional questions such as private property, economic organization, exclusive rights granted to industry, the role of the state and church, etc.; all of which, Ely maintained, are subject to the human will. "The ethical school of economists," he writes, "... aim to direct in certain definite manner, so far as may

be, this economic, social growth of mankind. Economists who adhere to this school wish to ascertain the laws of progress, and to show men how to make use of them."⁴³

Having established that political economy should not be limited to questions of "what is," as opposed to "what ought to be," Ely described the ethical ideal underlying the new political economy. "It is," in his words, "the most perfect development of all human faculties in each individual, which can be attained." Economic life, he asserted, is the basis for the development of human attributes - attributes such as "love, knowledge, of aesthetic perception, and the like, as exhibited in religion, art, language, literature, science, social and political life." Political economy could thus be viewed as a restatement of the "Christian doctrine of talents" - a doctrine whereby all men are called to develop their God-given attributes in accordance with His will.⁴⁴

Since human development, as suggested here, must be accompanied by social and economic development, Ely considered it axiomatic that political economists should desire "such a production and such a distribution of economic goods as must in the highest practicable degree subserve the end and purpose of human existence for members of society." While society does not concur with this view, preferring instead to look upon the welfare of other classes strictly in terms of their own interest, "it is in harmony with the ethical ideal of Christianity."⁴⁵

The influences of German historicism and, to a lesser extent, English Christian socialism are amply evident in Ely's socioreligious thought. Social solidarity, altruism, evolutionary progress, the influential role of the state, the emphasis on normative prescriptions and other elements permeate his many writings on social Christianity. From English Christian socialism he borrowed a number of other ideas including an emphasis on alternative forms of economic organization and the concept of fraternal social relations. Together both schools of thought provided a conceptual starting point for the integral approach to Christian social issues which would characterize much of his early work.

In his first book *French and German Socialism*, published only two years after he arrived at Johns Hopkins University, Ely advanced the contention that Christian socialism is morally superior to professorial socialism, writing:

Professors of political economy, finding themselves forced to abandon every hope of reconciling adverse interests of society without a moral and religious regeneration of the various social classes, turn to Christianity, and appeal to it for cooperation in their endeavors to bring about an era of peace and harmony. Professorial socialism terminates in Christianity. Christian socialism seeks in it a starting point.⁴⁶

In this passage, Ely identifies Christian socialism as a natural extension of German historicism. While the latter provided the theoretical structure and methodology with which to build a new social order, the former provided both the direction and moral vantage to accomplish this end. In making this assertion, Ely alludes to a thesis which would dominate his thought for years to come; namely, the influential role of Christianity in moral and religious regeneration, as a source of social reconciliation, and as a purveyor of peace and harmony.

Ely expounds upon this thesis in his next major work *The Labor Movement in America*. The book which chronicles the origins and growth of American labor organizations over the course of the Nineteenth century, is replete with normative imperatives exhorting the laborer to adopt a conciliatory position towards both his employer and society in general. In the preface, Ely writes:

... Let every workingman try to make himself more indispensable in his place, a better workman and a better man.. Cast off the slavery of party politics, and with faith in the triumph of righteousness, ally yourselves to every endeavor to elevate and purify the public life... Imitate no violence ... Your triumph can come only by peace... If your demands are right, if they are reasonable, then you will hold your gain. The world will listen even to socialism, if properly presented. If you keep to the right, the world will come to you. The right is bound to win. Educate, organize and wait. Christ and all Christly people are with you for the right. Never let go of that confidence. This is a sure guarantee of the successful issue of every good cause, the righting of every wrong. Christ forever elevated labor and

exalted the laborer. He worked himself and he sought his associates and the first members of his church among workingmen, men rude and ignorant, and certainly no better than the workingmen of today.⁴⁷

In the same passage, Ely identifies the Bible as both the champion of the oppressed and as a guide to socially productive behavior. The apostle James, Ely writes, exhorted Christians to 'be ye also patient.' "No political economist," he proffers, "could give you better advice." Faithful service and good conduct are "in keeping with the teachings of science." "Peace and contentment have a high economic value," and it is only through "the brotherly love of those who have a common Father" that workingmen can "find that bond of union which can render [their] joint efforts completely successful."⁴⁸

Despite the apologetic tone of Ely's "final word of advice" to the American laborer, he was quite supportive of their methods and objectives writing: "The labor movement, as the facts would indicate, is the strongest force outside of the Christian church, making for the practical recognition of human brotherhood."⁴⁹ He even equates the principles of the Knights of Labor "with the precepts of Christianity." "The strong," he declares, "help to bear the infirmities of the weak, and no grander conception of human brotherhood than that which they profess, characterizes any movement of our times."⁵⁰

In the concluding chapter of *The Labor Movement in America*, Ely writes: "It is with satisfaction one turns from the study of social problems to the teachings of Christ, which seem, from a purely scientific standpoint, to contain just what is needed."⁵¹ Christianity, Ely would write many years later, represents a social movement - a movement which, for better or for worse, could be expected to exert a powerful influence on the affairs of men. A movement which fosters fraternal brotherhood, understanding and harmony could be expected to promote a spirit of cooperation and trust. A movement which ignored such considerations, or worse acted as an institution of repression, would have the

opposite effect, contributing to a general state of social malaise, distrust, divisiveness and class hostility. Commenting on the latter possibility, Ely writes:

... During the critical eighteen nineties the church certainly neglected the enforcement of our duties with respect to temporal concerns and as result we found among the elements of the social movements a spirit of resistance to Christianity. In many cases, this resistance, passing in to attack, culminated in the revilings uttered by men like the Chicago anarchists and John Most, who said the church was bad, thoroughly bad, a bulwark of privilege; in Europe, of dynasties; here, of plutocrats.⁵²

Despite the reactionary elements within the church and the counterproductive role it played in American society, Ely was of the firm belief that humanity had no other choice but to work through established institutions, however flawed they might be. While working people "were justified in condemning the coldness and indifference of the churches to suffering humanity, if the germs of better things in the church were taken hold of and developed they might be powerful institutions in directing the social forces which were in action."⁵³ On another occasion, Ely writes that the "struggle between the organized forces of labor and capital" appeared to be a "spectacular crisis ... which was deep and probably prolonged." A crisis, however, "means an opportunity and I saw in this special crisis an unprecedented, unparalleled opportunity for the church to direct the conflicting forces into such fruitful channels that they might become powerful for the 'good of man and the glory of God.'"⁵⁴

Ely endeavored to accomplish this purpose in his most influential work on social Christianity, *Social Aspects of Christianity*. Described "as the first influential effort on the part of a prominent American to state 'the social side of the Church's mission,'"⁵⁵ Ely sought to elevate American Protestantism from a largely passive, loosely linked group of socioreligious institutions to an active force for social redemption and justice. It is doctrinally incorrect, Ely held, for the Christian church to concern itself exclusively with the hereafter, when the world remained under secular dominion. "The mission of Church," he

declared, "is to redeem the world, and to make peace with it only on its unconditional surrender to Christ." Unconditional surrender, however, had yet be accomplished, and until such time as the "earth becomes a new earth, and all its cities, cities of God," the church's responsibility is to launch a "never-ceasing attack on every wrong institution."⁵⁶

The substance of Ely's views in this regard are succinctly summarized in the following statement:

I take this as my thesis: Christianity is primarily concerned with this world, and it is the mission of Christianity to bring to pass here a kingdom of righteousness and to rescue from the evil one and redeem all our social relations.⁵⁷

The church, Ely maintained, should assume a major role in accomplishing this objective. "This does not mean that clergymen, as such, should be recognized as preeminent social leaders of the time, but that the Spirit of Christ should be infused into the social movement under consideration and the social forces which are producing this upheaval should become mighty ethical forces."⁵⁸

In an effort to facilitate this effort, Ely enunciates the following "subjects which, it seems to me, ought to be taken up by the Church." These include:

- 1) Child labor - a growing evil - diminishing in other countries, increasing in this country ...
- 2) The labor of women under conditions which imperil the family,
- 3) Sunday labor, an increasing evil, against which workingmen throughout the length and breadth of the land are crying out bitterly...
- 4) Playgrounds and the provisions for healthful recreation in cities - an antidote to the saloon and other forms of sin.
- 5) Removal of children from parents who have ceased to perform the duties of parents...
- 6) Public corruption ... The moral iniquity of city councilmen, who accept street-car passes, of writes for the press, of legislators and judges, who accept railroad passes, might profitably be treated under this head.
- 7) Saturday half holidays, - a great moral reform which has been accomplished in England, where men work but fifty-four hours a week...

- 8) A juster distribution of wealth. Under this head a refutation of those ridiculous persons who would have us believe that wage-earners now receive nine-tenths of all the wealth produced...
- 9) A manly contest against the deadly optimism of the day which aims to retard improvement and to blind men to actual dangers...⁵⁹

Ely looked not only to the church for social redemption, but to science as well. Rather than being viewed as a threat to Christianity, science, in Ely's estimation, represented an essential element in God's grand design for world redemption. The gospel, he declared, can be divided into two parts. The first part is described by theology - "the science of God and his relations to creation;" the second by sociology - "the science of society." The beauty of the gospel is that both of these complex subjects are fully described in the two commandments given by Jesus in the twenty-second chapter of Matthew. The first of these two commandments - 'Thou shalt love the Lord thy God with all thy heart, and with all thy soul, and with all thy mind' - contains all that is necessary for the study of theology; the second, 'Thou shalt love thy neighbor as thyself,' is the basis of sociology.⁶⁰

Theology, Ely maintained, "is the proper study for man," and it is an especially "fitting study for those who are called to serve as ministers in God's church." The church has not been remiss in this regard, for "we all know with what assiduity the study of theology has been pursued."⁶¹ This, Ely asserted, is as it should be. But what about sociology, is it not also worthy of serious study? In answer to this question, Ely suggested that it is indeed worthy of serious inquiry; so much so, "I should say that half of the time of a theological student should be devoted to social science, and theological seminaries should be the chief intellectual centres for sociology."⁶²

The church, however, has done "comparatively little" in advancing the study of sociology, and "next to nothing since the Protestant revolution." In recent years the church has "contented herself with repeating platitudes and vague generalities, which have disturbed no guilty soul, and thus she has allowed the leadership in social science to slip away from her." This unfortunate state of affairs, Ely argued, is no longer acceptable, and it is

time for the church to reassert the second commandment as a foundational precept of Christian doctrine. He writes:

We cannot love our fellows effectively unless we give them our mind. We must devote ourselves long and carefully to the study of the science of human happiness, social science. This second branch of the gospel of Christ, so long neglected, ought to be pursued with equal earnestness, with equal diligence, by Christians, with theology.⁶³

Ely was quite adamant in this regard, arguing that a failure on the part of the church to grasp the full significance of the commandment 'to love thy neighbor as thyself' was the primary source of its many failures. It contributed to a general state of material wantonness, or in the words of Ely a situation where "men are ... quite willing to make long prayers on Sunday, if on week days they may devour widows' houses." It demeaned the importance of love as a biblical principle; contributing to, among other things, the alienation of the working class, a general hostility towards the interest of the poor, and the implicit sanctioning of exploitation, exorbitant usury and deceptive business practices.⁶⁴ Finally, a failure to honor the "golden rule" contributed to a state of moral nihilism, whereby Christians were no longer able to discern right from wrong in worldly matters. Commenting on this latter subject Ely writes:

... the Church has so failed to instruct us in regard to the will of God in earthly matter, that professed Christians seem at times to lose all distinction between right and wrong in affairs of this life, and occasionally one hears it said that Christian ethics have nothing to with practical business.⁶⁵

If Christianity was to restore its ethical moorings, it would have to reacquaint itself with the second commandment, and this, Ely argues, could be best accomplished through the study of science - especially, social science. Several years after the formation of the American Economic Association, he writes:

... some earnest men have formed the American Economic Association, to investigate problems of social science, in order thereby to contribute to

human progress. Its aim is to advocate no opinions, but simply to strive to find out the underlying principles of industrial society, and to diffuse information among the working classes and all classes. Briefly stated, its purpose is to study seriously the second of the two great commandments on which hang all the law and the prophets, in all its ramifications, and thus to bring science to the aid of Christianity.⁶⁶

The third and final element in God's plan for world redemption was the state. Influenced by the work of the noted German historical economist Adolph Wagner, Ely looked to the state to assume an increasingly greater role in American society. In his popular textbook *Outlines of Economics*, he writes:

We have noted a tendency to increase public activities as civilization develops As men come into closer and more vital contact with each other their activities tend to become social, conscious, and ethical. By no means all of this tendency culminates in governmental action, but much of it does so, and whatever we may conclude as to the wisdom of such action we must not beg the question by calling it unnatural.⁶⁷

In the chapter on the state in his *Social Law of Service*, he goes one step further and declares: "The only limit to the functions of state is that laid down by Aristotle; the general principle cannot be stated better than he stated it: 'It is the duty of the State to do whatever is in its power to promote the good life.'"⁶⁸

The state, Ely held, was a divinely sanctioned instrument, mandated to effect God's purpose here on earth. In *The Labor Movement in America*, he writes: "Now it may be rationally maintained that, if there is anything divine on this earth, it is the state, the product of the same God-given instincts which led to the establishment of the church and the family."⁶⁹ Several years later in his *Social Law of Service* he expounds upon this thesis, writing

Family, Church and State are frequently mentioned together as the three preeminently divine institutions known to man. It is claimed by some that the State is the chief institution of these three, and that if we select one institution as above all others divine it must be the State. Such a comparison manifestly cannot be understood too literally. If several institutions are established by God, it can hardly be strictly true that one is more divine than

another. What is meant is this: that God works through the State in carrying out his purposes more universally than through any other institution; that it takes the first place among his instrumentalities.⁷⁰

The principal purpose of the state, Ely asserted, is a religious purpose. "Religious laws," he writes, "are the only laws which ought to be enacted." This should not be interpreted to mean that the nation should adopt measures designed to establish a particular sectarian view or theological tenet, but that any laws which "promote the good life" are religious in character. According to this definition, the provision of public goods, progressive social legislation, and efforts to restore honest government are all "religious laws in the truest sense of the word."⁷¹

In order to secure such changes, Ely advocated the Christianization of government. Christian political activism, he maintained, was not a discretionary option; it was a responsibility. "What ... we especially need, and what the Christian standpoint necessarily carries with it," Ely writes, "is emphasis on duties rather than rights." This, he adds, "is the first condition of civic regeneration."⁷²

Political regeneration, as suggested here, was to be accomplished through the active participation of both the church and the body of Christian believers in political matters. Ely writes:

... let the Church see to it that all her actions and teachings strengthen and purify the State. Let all Christians see to it that they put as much as possible, not of doctrine or creed into the State constitution, but of Christian life into the activity of the State, working, to be sure, to change the constitution in so far as this may stand in the way of righteousness. The nation must be recognized fully as a Christian nation.⁷³

Despite the enthusiastic endorsement of Christian participation in the political process, Ely was rather pessimistic concerning the prospect of long-term cooperation

among America's numerous Christian denominations. In the *Carew Lectures* given at Hartford Theological Seminary in 1890, he writes:

... it is manifestly impossible to reestablish a state church among us, still less a national church in the English style. We have a multitude of denominations and each one is jealous of all the others. We desire church unity but it is at least far off. Do we not, however, find a solution for the difficulties of the American situation in the conception of the state as the true church of the future? And does not this conception offer us a real substantial church unity.⁷⁴

Since a fragmented church could not accomplish the task of social regeneration, Ely looked to a state church as the eventual purveyor of social justice. Commenting on the characteristics of such an institution, he writes:

A state church in modern times cannot be a mere sect. It cannot be an organization for the propagation of any narrow and exclusive creed. It must within itself contain room for a great multiplicity of dogmas.... It must not.... attempt to fasten the minds to certain speculative views in regard to the nature, purposes and methods of the Almighty. It must recognize the inner spiritual life as the domain of sovereign individuality and adopt in its attempt to influence rightly this inner individual life the methods of persuasion and not coercion... A state must be regarded as occupying essentially the large and generous ground of the public school... It must represent one side of life of the people and must supplement the activities of the state. It must serve the state, regarding the establishment of just and loving relations among men as its peculiar mission and as a holy work.⁷⁵

In conclusion, Ely writes that while "it is manifestly impossible to reestablish a state church among us," it is, nevertheless, possible to conceptualize the "state as the true church of the future."⁷⁶

Ely was of the belief that the church, state, and science should work together for the collective good. In the concluding chapter of *The Labor Movement in America*, he writes: "In the harmonious action of state, church, and individual, moving in the light of true science, will be found an escape from present and future social dangers. Herein is pointed out the path to safe progress; other there is none."⁷⁷

Similar sentiment is echoed in the nonbinding "statement of principles" establishing the objectives of the American Economic Association (AEA). The four-point statement, prepared by a committee of five including Ely, Washington Gladden, Henry Carter Adams, Alexander Johnson and John Bates Clark, reflects the holistic approach to political economy typical of Ely's early thought:

1. We regard the state as an agency whose positive assistance is one of the indispensable conditions of human progress.
2. We believe that political economy as a science is still in an early stage of its development. While we appreciate the work of former economists, we look, not so much to speculation as to the historical and statistical study of actual conditions of economic life for the satisfactory accomplishment of that development.
3. We hold that the conflict of labor and capital has brought into prominence a vast number of social problems, whose solution requires the united efforts, each in its own sphere, of the church, of the state, and of science.
4. In the study of the industrial and commercial policy of governments we take no partisan attitude. We believe in a progressive development of economic conditions, which must be met by a corresponding development of legislative policy.⁷⁸

Founded in 1885, the AEA was a direct product of Ely's organizational talent, and he more than any other individual is credited with its creation. As early as 1884, Ely had formulated the idea of establishing an association of "... economists who repudiate *laissez-faire* as a scientific doctrine."⁷⁹ The following year, he broached the subject to a number of friends and former students, and upon receiving a generally favorable response preceded with the plan. The German *Verein fur Sozialpolitik* (Society for Social Policy) provided Ely with the inspirational objective and there is little doubt that he gleaned much from this influential association. He was, nevertheless, careful not to over emphasize the role of the state as had his German counterparts, and instead advanced the idea of a holistic approach to political economy; one which stressed the collective efforts of the state, the church, and science in the implementation of economic policy. The association, Ely

would write in a letter to Daniel Gillman, president of Johns Hopkins University, "will help in the diffusion of a sound, Christian political economy."⁸⁰

The inaugural meeting was held on September 9, 1885, at Saratoga Springs, New York. The meeting was notable for the diversity of people in attendance and the relative emphasis placed on ethical or religious subject matter. Among the charter members were economists E.B. Andrews, Henry Carter Adams, Edmund J. James, Simon Patten, John Bates Clark; Ely's former students, Albert Shaw and Woodrow Wilson; university presidents C.K. Adams, Andrew D. White and Francis A. Walker; and the Commissioner of the United States Bureau of Labor, Carroll D. Wright. The meeting was also attended by a number of leading proponents of the Social Gospel movement including Washington Gladden, Josiah Strong and Lyman Abbott.⁸¹ While these and others in attendance with strong Christian sympathies had much to contribute in the way of scholarly discourse, it was their influence in the greater Christian community which made their presence especially significant.

Much in the manner of the German *Verein fur Sozialpolitik*, Ely looked upon the newly founded association as an instrument for the advancement of social and economic policy. The progressive Christian press and the more progressive elements within the Christian church could be counted upon as allies in this effort. The influence of the church was immense, but largely untapped. A symbiotic relationship between various Christian denominations and science would constitute a powerful force in society, and it was precisely this force that Ely sought to marshal. The Christian press would serve as an organ for AEA policy prescriptions, informing the Christian laity on the particularities of economic policy and lending much needed popular support. In the first "Report of the Organization of the American Economic Association," Ely writes:

... it may be said that we wish to accomplish certain practical results in the social and financial world, and believing that our work lies in the direction of practical Christianity, we appeal to the church, the chief of the social forces in this country, to help us, to support us, and to make our work a

complete success, which it can by no possibility be without her assistance. The religious press of the country can aid us greatly in our task, and it will not, I believe, refuse its co-operation. Its influence is enormous, and notwithstanding all that has been said against it to the contrary, I believe that today it is the fairest, purest and most liberal press in the country.⁸²

The Saratoga meeting was also notable for the conspicuous absence of a number of notable orthodox economists, including Simon Newcomb, William Graham Sumner, Charles Dunbar, J. Laurence Laughlin, Henry Farnam, Arthur Hadley, F.W. Taussig and Arthur Perry. While those absent were generally critical of the "emotionalism" and "sentimentalism" associated with the Ely brand of political economy, it would be a mistake to conclude that their absence was solely a voluntary matter. In fact, there was a conscious effort on the part of Ely and others to systematically exclude "the Sumner crowd." In defense of this policy, Ely writes:

It may be asked: Why have any platform at all? Why not simply invite all interested in political economy to come together and aid in economic research?

The reply is not a difficult one. This association intends to combine two ends. It proposes to influence public opinion; also to investigate and study. Now, if there has ever been found in any place an economic society without the advocacy, either open or concealed, of certain tendencies, at least, it has not come to my knowledge. I do not believe it would be wise to attempt such a thing. The fundamental differences between economists are so radical that they cannot all work profitably together... If two people are journeying together to a certain goal and come to a fork in the road, it is evident that they must part company if each insists on believing that their common destination lies in a different direction. That is our case. We have little faith that the methods advocated by certain economists will ever lead to any valuable results. They may take their own way, and far be it from us to hinder them, but we must part company.

Again, it is not easy to arouse interest in an association which professes nothing. This proposed economic association has been greeted with enthusiasm precisely because it is not colorless, precisely because it stands for something.⁸³

Simon Newcomb, Ely's vitriolic opponent at Johns Hopkins, would later remark that Ely looked upon the AEA as a "sort of church, requiring for admission to its full communion a renunciation of ancient errors, and an adhesion to the supposed new creed."⁸⁴

Ely's efforts at establishing an association for the promotion of a "new school" of thought was short-lived, however, and a decision to drop the "statement of principles" was ratified in December of 1888, only three years after the Saratoga meeting. The move towards a more neutral stance was supported by a number of Ely's closest associates including John Bates Clark and Henry Carter Adams, and over the next several years a consensus developed that Ely's continuing efforts to promote Christian social reform was not in the best interest of the Association. The issue reached a climax in 1892 when Ely unilaterally selected the Methodist summer camp located in Chautauqua, New York, as the site of the annual AEA convention. Fearing that the AEA may be associated with unscholarly religious fervor, several leading economists protested the decision, and during the ensuing controversy Ely was replaced as the Association's secretary. In a letter to his conservative colleague William Graham Sumner, Henry W. Farnam writes: "Though Ely was consoled by the office of vice-president, this means practically the end of his regime in the Association. In fact it was rather amusing to see on how many occasions he found himself in a minority of one."⁸⁵ Despite the loss of influence and dashed hopes, Ely would recount with fond memories the formative years of the AEA, writing that the year 1885 was *Morgendammerung* - the dawn of day.⁸⁶ A little more than a decade later he would once again serve as a functionary of the AEA; this time as president of a more cautious, less vocal and more "professional" association.

Ely's remarkable organizational talent was not limited to the academic field; for in addition to his work as an educator, writer, and first secretary of the AEA, he played an active role in the greater Christian community. In his autobiography, he writes:

My attempts to influence the churches were not confined to my writing alone. I used every means within my reach to awaken the

conscience of the churches to an appreciation of their obligations, the obligations resting upon them to do their part in bringing about a social order in harmony with the principles of Christianity.⁸⁷

In an effort to accomplish this objective, Ely took on an impressive array of responsibilities. He spoke at various religious gatherings such as the Epworth league and St. Andrews; lectured for many years at the Chautauqua Christian summer camp; was founder and first president of the American Institute of Christian Sociology; served as secretary of the Christian Social Union; was an influential leader of the nascent Social Gospel movement; and counted among his many friends such famous personage as Cardinal Gibbons, "one of the greatest of all American cardinals." All of these efforts, in Ely's judgment, were simply a fulfillment of his broader responsibility as an educator and social reformer.⁸⁸

Ely's manifold efforts to promote an ethos of cooperation between the church, the state, and science reflected a deep belief in the social solidarity of man. Rejecting the view which held that each man is an island unto himself, Ely looked upon each individual as a part of a network of social and economic relationships. It is the collective functioning of society which provides each with a particular level of material well-being, and in the absence of society, material prosperity as we know it simply would not exist. For this reason, each individual is responsible for the welfare of his fellow man, and it is to the welfare of society that all individuals should look as the objective of his or her individual effort. "Social solidarity," Ely declared, "means the recognition of the identity of all human interests, and truly understood, it promotes the identification of oneself with humanity. Fullness of life in every department must be sought in human society."⁸⁹

Ely expanded upon this idea in his *Social Law of Service*. He writes:

Social solidarity means the oneness of human interests; it signifies the dependence of man upon man, both in good things and in evil things. Social solidarity means that our true welfare is not an individual matter purely, but likewise a social affair; our weal is common weal; we thrive only in a commonwealth, our exaltation is the exaltation of our fellows, their elevation is enlargement. Social solidarity implies not only fellowship

in interests and responsibilities, but that unity in nature which is brought before us by the expression "human brotherhood." Social solidarity signifies not only that man needs association with his fellow men, but that he shares with them their sins and their sufferings. Our sin is sin for others; their sin is our sin. There is no such thing either as purely individual sin, or a purely individual righteousness."⁹⁰

Social solidarity, as suggested here, was comprised of two distinct concepts. The first, relates to the collective nature of economic and social welfare and the responsibility of each member of society to promote the common weal. The second concept relates to the Christian principles of stewardship and accountability. From a Christian standpoint, individual's are not only responsible for their own actions, but for the actions of others as well.

Ely took this latter concept further than most, and argued that Christianity should be understood from a collective or social standpoint. "The doctrine of social solidarity," he writes, "is brought forward again and again throughout the entire Bible." Did not Paul write: 'By one man sin entered into the world, and death by sin; and so death passed upon all men, in that all have sinned,' and did not he not also say, 'For as in Adam all die, even so in Christ shall all be made alive.' If this be the case, then should we not likewise interpret the passage from the standpoint of social, as opposed to, individual salvation. 'Righteousness exalteth a nation,' Ely reminds his readers, and "let it not be forgotten that it is the kingdom which we are to seek, and a kingdom is a social state."⁹¹

In accordance with this view, Ely took strong exception to the individualistic philosophy which permeated 19th century American thought. "Individualism," he asserted, "... is anti-Christian, because it means social isolation and disintegration." "Individual liberty," he add:

... means the right of one man to injure others to the full extent of his capacity and resources. The claim to this liberty (which is not liberty at all in the true sense of the word) is anti-Christian. Individual salvation, in the strictest sense of the word, is an impossibility, because it implies a denial of that which is fundamental in Christianity. It is false Christianity which fails

to recognize the needs of others and centers on individual salvation, neglecting what the Apostle James called 'pure and undefiled religion,' namely, ministration to one's fellows.⁹²

The antithesis of individualism and the solution to society's problems, Ely maintained, was social service. "We all crave happiness," he exclaims. But happiness "must be subordinated to another end if it is to be pursued successfully; and this other end is service." In an allusion to the biblical parable 'he who seeks to gain his life will lose it,' Ely asserted that the "secret to life is renunciation." He goes on to write, "We must sacrifice our life to receive it in fullness." But it is not sacrifice to which we should aspire, but service. "Sacrifice is not an end in itself, but sacrifice is the condition of service." "Social service," Ely declared, "is the supreme law of society, from which no one can escape with impunity." He writes:

There is one law, and only one, taught by the Christian religion and [that is] ... the law of love, which finds expression in the social law of service. Christianity and ethical science agree perfectly. Social welfare is the test of right conduct. All right laws which regulate human relations have in view the well-being of society, and they are all one. Thus it is true that he who breaks any one law breaks all, for they have one source and one purpose. The thief and the undutiful child, the murderer and the slothful person, all alike have violated the social law of service. When you utter unkind words, when you neglect an opportunity to lend a helping hand, when you spend material wealth to gratify whim, caprice, vanity, instead of to accomplish worthy ends, you have broken the same law which has been violated by the criminal classes in our prisons and penitentiaries.⁹³

In this passage, Ely presents the essence of his argument: The Christian call to service is not to be looked upon as a voluntary effort, but as a commandment. Christians may disobey the law of social service; but, in so doing, they have violated the most fundamental of Christian principles and are to be counted as no better than the worst of sinners. While acknowledging the severity of this "hard saying," the "message which it conveys to us is one which is needed in these days of great wealth and easygoing self-indulgence, if it ever was needed."⁹⁴

The position Ely adopted toward social solidarity and Christian service led him to look favorably upon socialist thought which championed similar views. In "Socialism: Its Nature, Its Strength and Its Weakness," Ely writes:

Certain moral aspects of socialism are attractive. Its aim is to replace strife by concord and destructive competition by working together for common ends. Let us try to live as brothers - that is the cry of the socialist. Liberty, equality, fraternity - these are the most frequent watchwords we encounter; but fraternity is always included... Socialism at its best is not materialism. The animating purpose of high-minded socialists has been the subordination of material interests to higher ends. They object to society at present because they hold that it is materialistic in its tendencies, subordinating the highest ends of life to material pursuits.⁹⁵

Passages similar to this led to accusations concerning Ely's position toward socialism. On more than one occasion he was accused of being a socialist, and although he vigorously denied it, the suspicion persisted that he was sympathetic to the socialist cause. In reviewing *The Labor Movement in America*, Henry Farnam, a conservative associate of Sumner, writes:

... Dr. Ely says - and he certainly ought to know - that he is no socialist. Yet much that he says sounds so much like what a good many of socialists say, that he ought hardly to complain if people occasionally mistake him for one. If a man should march in a socialistic procession, bearing a red flag with the inscription "I am no socialist," he could hardly pick a quarrel with the newspaper for reporting him as a socialist. Neither should Dr. Ely complain, if the color he gives to many statements leads people to call him a socialist in spite of his emphatic protests to the contrary.⁹⁶

Despite such allegations, Ely was fundamentally at odds with the socialist position concerning state ownership and control over the means of production. In his famous textbook, *Outline of Economics*, he writes: "Public industry in the monopolistic and private industry in the competitive field seems to be the only feasible or natural law."⁹⁷ Ely was adamant, however, that private ownership is not without social responsibility. Private property, he maintained, is granted for a social purpose. It should be looked upon as "an exclusive right, but never an absolute right." This principle is ultimately founded on the

doctrine of stewardship, or, in Ely's words, "the religious doctrine that private property is a trust." Trust, Ely asserted, implies that man has a responsibility to care for the resources God has placed in man's care. "Only God owns in an absolute sense," and it is man's responsibility to employ private property or any other resources in accordance with this principle.⁹⁸

Similar to other late 19th century proponents of the social gospel, Ely believed that God's heavenly kingdom was to be established here on earth. The coming kingdom, he declared, should be understood in the context of human history. It has been nineteen hundred years since Christ lived on the earth, and while a duration of such length may appear long by conventional standards, it is certainly not long by the standards of human development. Humankind has lived on the earth for a much longer duration, and as a point of reference it would be unrealistic to expect the kingdom of God to be fully established in the near future. It is nevertheless true that civilization had advanced rapidly over the past century, and that industrial democracy, the system which would ultimately culminate in the establishment of God's kingdom, had been successfully established in several countries throughout the world.

Similar to List and other writers of the German historical school, Ely theorized, that economic development occurred in five distinct stages: (1) hunting and fishing; (2) pastoral; (3) agricultural; (4) handicraft; and (5) industrial. While he was unclear as to what specific factors engendered a transition from one stage to the next, he identified social evolution as the overall process shaping socioeconomic development. Social evolution was not to be confused, however, with natural selection. Unlike lower forms of life, man has the ability to use accumulated knowledge to his advantage, thus unlinking development from the forces of natural selection.⁹⁹ Socioeconomic development was not a

product of natural selection, but a consequence of history, free will and the adoption of Christian morals. In his autobiography, Ely writes:

This history of ideas is the history of man.... From time to time, in the history of mankind, an idea of such tremendous import has found acceptance in the minds and hearts of men that it has been followed by a new era in the progress of the human race. The idea of Jehovah, which found acceptance among the ancient Hebrews, was one of these germinal ideas, which made the world ever thereafter a different world... Christianity came into the world as the outcome of another grand idea, and since its reception the world has been a new world. Its mighty significance has been recognized in dating all events with reference to the founder of that religion... Passing on down the stream of human history, we come to still another idea which has made the world different from what it was before, and is thus giving direction to human history. This is the idea of evolution, the general acceptance of which we must recognize as the distinguishing characteristic of nineteenth-century thought.¹⁰⁰

He goes on to write:

In the twentieth century the idea of liberty in a democracy, for which the people of England and America have stood preeminently, has been shaping our history. If this idea of liberty is to survive, it must be based on universal love and human brotherhood. These ideas, and these alone, can save the world. Unless they come to fruition our modern nations, in spite of their material triumphs, will go the way of the great empires of the past.¹⁰¹

Although America and several other countries had reached the stage of industrial democracy, the evolutionary process was far from complete. Social evolution could be expected to continue apace as a fiercely competitive, almost warlike struggle for economic dominance gradually gives way to a more fraternal, more brotherly competitive order. This latter system which has yet to arrive resembles in many ways the "Christian ideal of humanity." At more advanced levels of social development competition assures the "Christian ethical demand for equality of opportunity," while at the same time engendering "a brave, strong race of men, and the brave and strong are merciful." Future society will

therefore be characterized by an unlimited opportunity for individual development, accompanied by a spirit of social cooperation, generosity and kindness.¹⁰²

Progress, however, is not inevitable. Since man is a free agent, social evolution does not guarantee progress. "Just as an individual may degenerate into an idiot or criminal, a whole people may sink into decay." "The history of the ancient world," Ely goes on to write, "is full of [such] illustrations." Despite periodic episodes of devolution, Ely was optimistic that "the simple Gospel of Jesus" offered an enduring solution to man's problems. Although he did not look upon world Christianization and social development as a divinely mandated outcome, his abiding faith in the growth of Christianity prompted him to write that "while conditions remain as they now are a general human retrogression is not conceivable."¹⁰³

Despite this rather optimistic prognosis, it would be erroneous to assume that the Kingdom of God will be established in a fortnight, as some had surmised; nor will it be an easy task. Building the kingdom "is a long and weary [endeavor], and yet it is one which affords delight in the prospect of progress."¹⁰⁴ Humanity should delight in the future, for the coming kingdom will usher in a period of unspeakable joy and prosperity. Ely writes:

... Christ came to make this world a happy world, and as his purposes approach completion, happiness of the highest sort must increase. This world will become a happier and happier world as time goes on, for the coming of the kingdom means the subjugation of the entire world to Christ. And by the entire world we understand not only man, but external physical forces. This thought is clearly revealed in the prophecies of the Old Testament, especially in Isaiah: 'Instead of the thorn shall come up the fir tree, and instead of the brier shall come up the myrtle tree.' This signifies the subjugation of the forces of nature, but nature includes man's physical body, and that, too, in a righteous state, will have long life gradually, peacefully, fading away at last.¹⁰⁵

During the millennium every individual will have the freedom to develop his capabilities to the fullest. All "men shall work together for common purposes, and ... cooperation shall take place largely through government, but through a government which has

become less repressive and has developed its positive side." Hunger, corruption, exploitation and other socially induced evils will be forever banished, and men shall live in "truth, continually progressing in goodness, and surrounded by an expanding beauty of subjugated nature."¹⁰⁶

Upon leaving Johns Hopkins University in 1892, Ely's interest gradually turned to issues of a more parochial, secular nature. Appointed director of the newly inaugurated School of Economics, Political Science and History at the University of Wisconsin, he assembled a distinguished group of present and former students including John R. Commons, the dean of American labor and the noted sociologist Edward A. Ross. Working in close cooperation with other faculty and the progressively-minded Governor Robert La Follette, Ely advanced an ambitious agenda for social reform at the state and local level. Within a few short years, a number of the suggestions advanced by him and his associates were adopted, and the state of Wisconsin became a national showcase for social reform.¹⁰⁷

Ely's efforts at Wisconsin also served as a link between German historical economics, the "new school" of economics promoted by him and others during the previous decade, and the emerging school of institutional economics. In collaboration with his former pupil, John Commons, Ely would play an instrumental role in the establishment of this heterodox school of thought during the early part of the 20th century.¹⁰⁸

Ely's first years at Wisconsin were not without turmoil and disappointment, however. In the spring of 1894, two years after losing his position as secretary of the AEA, his nine month old daughter died of mysterious causes and his wife became ill with diphtheria. The resulting financial strain placed the Ely family in a precarious financial position.¹⁰⁹ Several months later, Ely received more bad news: the Wisconsin Superintendent of Public Instruction, Oliver E. Wells, had published a scathing attack against him and the University in the New York newspaper *The Nation*. "Prof. Ely," Wells declared, "differs from Ely the socialist only in the adroit and covert method of his advocacy."¹¹⁰ The allegations

could not have come at a more inauspicious time, and although Ely was eventually exonerated in a series of much publicized hearings, the entire episode left him visibly shaken and much less willing to take a stand on potentially divisive issues. Over the next several years he would withdraw from practically every form of social activism, and, similar to many other economists during the 1890s, would redirect his efforts to toward issues falling within the newly emerging boundaries of economic science.¹¹¹

Although Ely became increasingly preoccupied with other issues during the latter part of his career, he retained many of the views which established him as a leading proponent of the Social Gospel movement during the 1880's. In his autobiography, written nearly fifty years after he published his famous *Social Aspects of Christianity*, Ely took issue with the secularist doctrine which had come to dominate much of modern science:

... Religion is social cement, a social tie. It is strange that when some have called attention to the importance of religion as a social force, men, in the name of science, have denounced them and ridiculed them for so doing. Yet it is hard to think of anything more unscientific than any philosophy of society which neglects a consideration of the role played in its evolution by religion. The attempt to neglect this role is more than unscientific; it is absurd.¹¹²

To the very end of his life Ely was of the opinion that "Christianity is primarily concerned with this world, and it is the mission of Christianity to bring to pass here a kingdom of righteousness." How might this be accomplished? What characteristics would such a kingdom exhibit? "The answer I gave then still applies today."¹¹³

Footnotes

- 1 Everett, J.R., *Religion in Economics: A Study of John Bates Clark, Richard T. Ely and Simon N. Patten*. New York: King's Crown Press, 1946, p. 75.
- 2 Dombroski, James, *Early Days of Christian Socialism in America*. New York: 1933, p. 50.
- 3 Ely, Richard T., *Ground Under Our Feet, An Autobiography*. New York: Macmillan, 1938, p. 1.
- 4 Rader, Benjamin G., *The Academic Mind and Reform: The Influence of Richard T. Ely in American Life*. Lexington, KY: The University Press of Kentucky, 1967, p. 4.
- 5 op cit., *Ground Under Our Feet*, p. 15.
- 6 op cit., Everett, J.R., *Religion in Economics*, p. 76.
- 7 op cit., Rader, p. 5.
- 8 op cit., *Ground Under Our Feet*, p. 16.
- 9 *ibid.*, p. 16.
- 10 *ibid.*, p. 15.
- 11 *ibid.*, p. 17.
- 12 *ibid.*, p. 24.
- 13 *ibid.*, p. 23.
- 14 *ibid.*, p. 34.
- 15 *ibid.*, p. 36.
- 16 *ibid.*, pp. 40-41.
- 17 *ibid.*, p. 41.
- 18 *ibid.*, p. 44.
- 19 op cit., Rader, p. 13; op cit., Everett, pp. 78-79.
- 20 op cit., *Ground Under Our Feet*, p. 58.
- 21 op cit., Everett, p. 79; op cit., *Ground Under Our Feet*, p. 43.
- 22 *ibid.*, p. 65.
- 23 Ely looked to the social activism and philosophical tradition characteristic of the Protestant Reformation as an inspirational starting point for modern Church activism. Commenting on the relationship between the Church and state during the reformation period, Ely writes: "The wide separation between things secular and things sacred was denied. The whole earth was held sacred. Nothing was secular in any bad sense of the word except sin, and the purpose of Christians was to combat it..." Quoted from Robert T. Handy (Ed.), *The Social Gospel*. New York: Oxford University Press, 1966, p. 247.
- 24 It is noteworthy that a similar controversy, referred to as *Methodenstreit*, "controversy over methods," was taking place in Europe at approximately the same time.
- 25 Ely, Richard T., "The Past and Present of Political Economy," *Johns Hopkins University Studies in History and Political Science*, March 1884, pp. 5-7.
- 26 *ibid.*, p. 9.
- 27 *ibid.*, p. 13.
- 28 *ibid.*, pp. 23-24.
- 29 *ibid.*, pp. 24-25.
- 30 *ibid.*, pp. 27-28.
- 31 *ibid.*, pp. 30-31.
- 32 *ibid.*, pp. 34-35.
- 33 *ibid.*, pp. 35-36.
- 34 *ibid.*, p. 36.
- 35 *ibid.*, pp. 38-40.
- 36 *ibid.*, p. 41.
- 37 *ibid.*, p. 43-45.
- 38 *ibid.*, pp. 45-49, 52-53, 58.
- 39 *ibid.*, p. 64.
- 40 Ely, Richard T., "Christian Socialism in England," part I, *Christian Union*, May 28, 1885, p. 7.

- 41 Ely, Richard T.. "The Economic Discussion in *Science*." In Adams, Henry Carter et. al., *Science Economic Discussion*. New York: The Science Co., 1886., p. 70.
- 42 Ely, Richard T.. "Ethics and Economics." In Adams, Henry Carter et al., *Science Economic Discussion*, New York: The Science Co., 1886., p. 53.
- 43 *ibid.*, p. 49.
- 44 *ibid.*, p. 50.
- 45 *ibid.*, pp. 50-51.
- 46 Ely, Richard T., *French and German Socialism in Modern Times*, New York: Harper, 1883, p. 187.
- 47 Ely, Richard T., *The Labor Movement in America*, New York: Thomas Y. Crowell & Co., 1886, p. ix-xi.
- 48 *ibid.*, p. xii.
- 49 *ibid.*, p. 138.
- 50 *ibid.*, p. 78.
- 51 *ibid.*, p. 331.
- 52 *op cit.*, *Ground Under Our Feet*, p. 75.
- 53 *ibid.*, p. 77.
- 54 *ibid.*, p. 72.
- 55 Hopkins, C.H., *The Rise of the Social Gospel: American Protestantism, 1865-1915*, New Haven: Yale University Press, 1940, p. 106.
- 56 Ely, Richard T., *Social Aspects of Christianity and Other Essays*, New York: T. Y. Crowell, 1889. Reprinted in Gaustad, Edwin S., *A Documentary History of Religion in America*, Grand Rapids: William B. Eerdmans, 1983, p. 129.
- 57 *ibid.*, p. 129.
- 58 Ely, Richard T., *Social Aspects of Christianity and Other Essays*, New York: T. Y. Crowell, 1889, pp. 147-148.
- 59 *ibid.*, pp. 74-77.
- 60 Ely, Richard T., *Social Aspects of Christianity and Other Essays*. Reprinted in Robert T. Handy (Ed.), *The Social Gospel*, New York: Oxford University Press, 1966, p. 188.
- 61 *ibid.*, p. 188.
- 62 *op cit.*, *Social Aspects of Christianity*, p. 17.
- 63 *op cit.*, *Social Aspects of Christianity*, reprinted in Handy, *The Social Gospel*, p. 192.
- 64 *ibid.*, pp. 187-193.
- 65 *op cit.*, *Social Aspects of Christianity*, pp. 20-21.
- 66 *op cit.*, *Social Aspects of Christianity*, reprinted in Handy, *The Social Gospel*, pp. 196-197.
- 67 Ely, Richard T. and R.H. Hess, *Outlines of Economics*, 1st edition, New York: Macmillan, 1893, p. 253.
- 68 Ely, Richard T., *Social Law of Service*. Reprinted in Robert T. Handy (Ed.), *The Social Gospel*, New York: Oxford University Press, 1966, p. 247.
- 69 *op cit.*, *The Labor Movement in America*, quoted from Handy, *The Social Gospel*, p. 178.
- 70 *op cit.*, *Social Law of Service*, reprinted in Handy, *The Social Gospel*, pp. 243-244.
- 71 *ibid.*, p. 249.
- 72 *ibid.*, p. 250.
- 73 *ibid.*, p. 249.
- 74 Ely, Richard T., *Carew Lectures*, Ely Manuscripts, Madison, Wisconsin. Reprinted in Lowe, Eugene Y., Jr., "Richard T. Ely: Herald of a Positive State." *Union Seminary Quarterly Review* 42, June 1988, p. 24.
- 75 Ely, Richard T., *Carew Lectures*, Ely Manuscripts, Madison, Wisconsin. Reprinted in Handy, Robert T., *Undetermined Establishment*, Princeton, NJ: Princeton University Press, New York: Oxford University Press, 1971, pp. 62-63.
- 76 *ibid.*, p. 63.
- 77 *op cit.*, *The Labor Movement in America*, quoted from Handy, *The Social Gospel*, p. 178.
- 78 *op cit.*, *Ground Under Our Feet*, p. 140.
- 79 Quoted from Coats, A.W., "The First Two Decades of the American Economic Association." *American Economic Review* 50, 1960, p. 556.

- 80 op cit., Rader, Benjamin G., *The Academic Mind and Reform*, p. 36.
- 81 It is significant that twenty-three of the people on the original role of the American Economic Association were ministers. op cit., Dombroski, James, *Early Days of Christian Socialism in America*, p. 51.
- 82 Ely, Richard T., "Report of the Organization of the American Economic Association." *Publications of the American Economic Association*, 1, March 1886, p. 18.
- 83 *ibid.*, p. 19.
- 84 op cit., Coats, A.W., p. 558.
- 85 op cit., Rader, p. 120.
- 86 op cit., *Ground Under Our Feet*, p. 164.
- 87 *ibid.*, p. 78.
- 88 *ibid.*, pp. 78-79.
- 89 Ely, Richard T., "Christianity as a Social Force." In Barrows, John Henry (Ed.), *The World's Parliament of Religions*, Volume 2, Chicago: Parliament Publishing, 1893, p. 1059.
- 90 op cit., *Social Law of Service*, reprinted in Handy, *The Social Gospel*, pp. 235-236.
- 91 *ibid.*, pp. 236-237.
- 92 op cit., Ely, Richard T., "Christianity as a Social Force." p. 1059.
- 93 op cit., *Social Law of Service*, reprinted in Handy, *The Social Gospel*, pp. 224.
- 94 *ibid.*, p. 224.
- 95 Ely, Richard T., "Socialism, Its Strength and Its Weakness." *Independent*, March 28, 1891, p. 9.
- 96 Farnam, Henry, "Review of Ely's, The Labor Movement," *Political Science Quarterly*, 1, December 1886, pp. 686-687.
- 97 Ely, Richard T. and R.H. Hess, *Outlines of Economics*, 1st edition, New York: Macmillan, 1893, p. 304.
- 98 Ely, Richard T., *Studies in the Evolution of Industrial Society*, New York: Macmillan, 1903. Quoted from Everett, J.R., *Religion in Economics*, p. 94.
- 99 Persons, Stow (Ed.), *Evolutionary Thought in America*, New Haven, 1950, pp. 225-226.
- 100 op cit., *Ground Under Our Feet*, p. 96.
- 101 *ibid.*, p. 96.
- 102 op cit., Everett, J.R., *Religion in Economics*, pp. 86-87.
- 103 *ibid.*, pp. 90-91.
- 104 *ibid.*, p. 95.
- 105 Ely, Richard T., *Social Law of Service*. Reprinted in Robert T. Handy (Ed.), *The Social Gospel*, pp. 227-228.
- 106 op cit., Everett, J.R., *Religion in Economics*, p. 96.
- 107 op cit., Rader, Benjamin G., *The Academic Mind and Reform*, pp. 122-129.
- 108 Coats, A.W., "Ely, Richard T.," *International Encyclopedia of the Social Sciences*, Sills, D.L. (Ed.), Macmillan Free Press, 1968, p. 34.
- 109 op cit., Rader, Benjamin G., *The Academic Mind and Reform*, p. 135.
- 110 *ibid.*, p. 138.
- 111 *ibid.*, pp. 153-158.
- 112 op cit., *Ground Under Our Feet*, p. 73.
- 113 *ibid.*, p. 77.

CHAPTER 3

INTERPRETATION OF LATE 19th CENTURY CHRISTIAN ECONOMISTS

1. Introduction

A number of issues and questions arise in the context of the six economists considered in chapter two, but none appear more important than the evolving pattern of socioeconomic relations and the concomitant problems associated with such developments. Late 19th century America was a tumultuous period characterized by rapid industrialization, long and often times dangerous working conditions, financial insecurity brought about by recurring business slumps, and social disintegration brought about by the mass movement from rural areas to the teeming slums of American cities. In the meanwhile, a new class of wealthy industrialist were accruing fortunes unheard of only a few decades earlier. The middle class increasingly distanced themselves from their less fortunate brethren, and an ethos of materialism and conspicuous consumption once the province of the very rich was permeating a vast cross section of American society. Corporations had become states within states; collusion and price fixing were widespread; and labor agitation and the threat of violence were becoming increasingly evident. While America was becoming more affluent for many, the poor appeared to be trapped in a cycle of poverty and exploitation.

The response of government, American churches, and the economic profession to this state of affairs was mixed at best. Government assistance to the poor was minimal; state legislatures and Congress almost invariably sided with the interest of well-healed industrialist against the interest of labor and the consumer; and even modest suggestions aimed at reforming child labor laws or curbing monopolistic practices met with vigorous opposition. American churchman often chided the unrealistic expectations of labor, and while some churches adopted the ideals and methods associated with the Social Gospel movement, many more distanced themselves from social and economic considerations and

the needs of the poor. American economists during the era were for the most part quite conservative. While a few such as Francis Walker or Henry George advanced what could be viewed as progressive policies for the time, many more such as Laurence Laughlin, Frank Taussig, Arthur Hadley, Henry Farnum and most notably William Graham Sumner steadfastly held to the *laissez-faire* ideals associated with classical political economy.

For the small group of Christian economists raised in devout Christian households and familiar with the egalitarian ideals of rural and small town America, the situation was intolerable. While the approach they adopted suggested a long arduous process towards a millennial restoration, a careful reading of their thought reveals a number of more immediate concerns: moral dualism; labor strife; poverty; an individualistic and materialistic social ethos; monopoly and oligopolistic market structure; class distinction among Christian believers; the disintegration of long standing social and economic relationships; and the failure of government, science and the American churches to address such issues. Carver, of course, adopted a much different approach, but he was no apologist for the rich and the policies he advanced were often directed towards ameliorating the problem of poverty. The relative emphasis all of these writers placed on issues peculiar to the time, suggest that problem resolution was their foremost concern, and in the case of historical-ethical economists, it was to Christianity along with science and government that they turned for a solution.

2. The Role of Christian Ethics

Among the Christian economists during this period, Richard Ely made the greatest contribution to Christian economic thought, and it was Ely who established both the tone and direction of Christian economic discourse. The principle distinction between classical and Christian political economy, Ely declared, did not revolve around contrasting views on the role of government, private property, or even methodology, but on the relationship between ethics and economics. Rather than attempting to expunge ethics from the purview

of economic science as did Sumner, Farnam, Newcomb and other conservative economists of the period, adherents to the "ethical" school, as Ely coined it, evaluated economic relations on the basis of their ethical propriety. Economists had a responsibility to go beyond the purely positivist relationships employed in classical political economy and ascertain whether or not prevailing socioeconomic arrangements "stand the test of this rule." Expounding on this subject, Ely writes:

... If industrial society as it exists at present does not answer this requirement, then industrial society stands condemned; or, in so far as it fails to meet this requirement, in so far as it is condemned... It is not that it is hoped to reach a perfect ideal at one bound, but that the ideal is a goal for which men must strive. The new conception of the state is thus secondary, in the opinion of the adherents to the ethical school, to the new conception of the social ethics.¹

As an example of how prevailing social relations may fail to meet the ethical standard established by like-minded social reformers, Ely cites the market for low skilled labor.

He writes:

... Take the case of low wages. It is argued that low wages increase possible production. Even if this be so, such wages diminish the power of the recipients to participate in the advantages of existing civilization, and consequently defeat the end and purpose of production. Child labor, female labor, and excessive hours of labor, fall under the same condemnation. In the language of Roscher, 'the starting point as well as the object-point of our science is man.'²

The role of the economist, Ely concluded, was to actively promote those economic, political, or social relations which allow each human to realize his full social and spiritual development, and oppose those social relations or institutional structures which do not.

A similar view was advanced in the Christian economic thought of John Bates Clark. Institutions, Clark maintained, were to be sifted on the basis of whether or not they comport with humankind's evolving "sense of right." Through the permeation and adoption of Christian values humankind had come to recognize the evil of slavery and other

nefarious practices, and fought for change because it was morally right to do so. A "sense of right" would produce equally important changes in the future as evolving social consciousness leads to the curtailment of oligopolistic capitalism and the establishment of a more egalitarian economic order. Commenting on the role of ethics in economic science and how it fulfills its rightful place in his overall schema of socioeconomic development, Clark writes:

... A divorcement of ethics and economics characterized the theories of the past; and it was based on apparent separation between them in practical life. The present movement is restoring the union in theory and practice. It is (1) enabling the individual to call his moral nature into fuller action; it is (2) subjecting the division of wealth to moral arbitration; and it is (3) breaking down the barriers that barred the church, the benevolent society, the school and the state from participating in economic affairs.³

Andrews, Commons and Bemis also shared Ely's view of the role of ethics in economics. Contrary to the hands off, positivist approach advocated by Compté, Senior, Newcomb and others, they looked upon economic science as an admixture of positive and normative relations, and it was the role of the economist, in their opinion, to specify what such relations were and to pass judgment accordingly. Andrews advanced a multitude of recommendations designed to remedy the problem of "economic evil," advocating among other things the regulation of "rapacious" trust and combinations, restrictions on stock manipulation and nonproductive speculation, and the implementation of Henry Georges' "new plan for taxation."⁴ Commons considered it an "appalling sight to see the godlike [character] crushed out of a [destitute individual] ... by poverty, by crime, intemperance, by his social and industrial surroundings,"⁵ and looked to government as "the only means whereby refractory, obstructive, and selfishly interested elements of a society may be brought into line with social progress."⁶ Bemis railed against a system where "the lower class of workingmen [had] not risen much above a purely animal existence,"⁷ and advanced a wide legislative agenda aimed, in part, at eliminating exploitative business

practices. All of the writers considered in the previous section, save Carver, concurred with Andrews' assessment that "ungoverned, unguided, mechanical distribution will never issue in justice."⁸

Carver adopted a much different view, directing his attention to what he considered to be the ultimate source of humankind's many difficulties, scarcity. The problem of scarcity, in Carver's estimation, reflected the age-old problem of "wants continually running beyond any means provided for their satisfaction."⁹ Poverty, poor working conditions, exploitation, social conflict, and other conditions peculiar to humankind's fallen nature originate from this most fundamental of human problems, and the solution to all such problems is one in the same: bringing wants into accord with production. This, according to Carver, could be accomplished through either a diminution of wants, the philosophy adopted by the ancient Stoics, or through increased production, the solution proffered by the modern industrial spirit.

Carver emphasizes the latter of these two philosophies, taking the position that "human nature is sound" and "that external nature must be subjugated and made to yield more abundantly the means of satisfaction."¹⁰ Behavioral characteristics such as hard work, thrift, ingenuity, and a denial of self-indulgent materialism held the key to earthly subjugation. It was not the economist or social reformer, however, who made such a determination; it was nature, and nature operated through the inexorable process of natural selection.

Although Carver presented his theory as a dispassionate analysis of the natural economic order, he did not refrain from equating behavioral characteristics with ethics, arguing that productive behavior is ethical behavior and nonproductive behavior unethical. Productive behavior, he went on to assert, held the key to prosperity and social peace and was in keeping with God's divine plan for social redemption. The concerned citizen was not only within his rights when promoting the ethics of hard work and self-denial, but, in the interest of humanity, had a responsibility to do so. Ethics in Carver's thought thus took

the form of approbation and disapprobation of good and bad economic behavior, attributes which Carver collectively referred to as the "work-bench" and "pig-trough" philosophies of economic life.

3. Late 19th Century Concerns

It has been suggested that numerous developments in economic thought are motivated by an implicit desire 'to set things right.' This appears to be the case with Christian economic writings during the latter part of the 19th century. America was seen to be facing a crisis of confidence: social disintegration, widespread urban poverty, and the emergence of a polarized class structure threatened the collective American conscience; labor strife and violence was an ever present danger; and a crass materialism was perceived to be displacing the high-minded, cooperative spirit upon which the nation was founded. The country, it was believed, was in need of restoration, and it was with this thought that a small group of young American economists advanced their vision of national redemption.

3.1 Stewardship and the Protestant Work Ethic

While quite different in their overall orientation, Andrews, Ely, Commons, et al., concurred with Carver's assessment on the value of hard work and personal stewardship. Social polarization and extreme individualism had, in their view, given rise to intemperance, sloth, and thriftlessness among the poor and material wantonness and self-indulgence on the part of the rich. Such concern is reflected in Andrews' ten propositions on the relationship of wealth to morality.¹¹ It is not wealth per se nor even the acquisition of wealth which constitutes a moral failure, Andrews asserts, but the behavior associated with riches. Idleness and wasteful consumption he declares in a related work are the scourge of the wealthy, "doing good to no one whatsoever in any way whatever, but evil, pure evil, to all."¹²

Ely was of the same mind, disparaging luxury as "materialistic and selfish." Material wantonness, he goes on to write, "retards the mental and spiritual development of a people, and tends to impoverish a nation." "Luxury breeds luxury as sin begets sin," and a spirit of acquisition will in due time lead to untold suffering and financial ruin. "Wasted fortunes, blighted careers, broken hearts, boundless opportunities forever lost - these are the end of which the beginning is self-indulgence."¹³

It is not only the rich, however, who are subject to such failings; for the poor are no better, and given the opportunity will lapse into a state of indolence, intemperance, and thriftlessness. "Men who are long in idleness," Andrews asserts, "not only lose their skills; they lose their manliness, their independence."¹⁴ Commons advances a similar view when he describes idleness and irregular employment as "the antichrist of today that drives men and women into crime, intemperance and shame,"¹⁵ and advised Christians to "help [the poor] in every practical way except giving alms."¹⁶ Bemis concurred, noting that the progressive socioeconomic structure adopted by the 17th century New England Puritans held many advantages, "yet intemperance and thriftlessness bore the same fruits then as now."¹⁷ Protestations against indolence and self-indulgence represented a common theme among all of the writers considered in the previous section, "a message," in Ely's words, "... which is needed in these days of great wealth and easygoing self-indulgence, if it ever was needed."¹⁸

3.2 Polarization of the Classes

Charity and self-indulgence were, of course, only one of the many concerns expressed in the writings of Ely, Clark, et al. A more pressing concern was the emergence of a polarized social structure, exemplified by a largely destitute urban working class, on the one hand, and an increasingly prosperous class of corporate proprietors, managers, and small business owners, on the other. It was this drift towards social polarization and the related "struggle between labor and capital," which prompted writers such as Commons,

Ely, Clark, and Bemis to decry the increasing stratification of American society and advance various suggestions to bridge the social chasm between the classes.

Clark looked to evolving moral consciousness as a solution and advanced the concept of "Spiritual Economics" to convey the importance of social equality within the church. Bemis turned to the 17th century community of Springfield, Massachusetts for inspiration, arguing that much could be learned from the Puritan principles of social and economic equality, shared sacrifice and a common vision. Carver extolled the virtues of patriotism and a shared national vision, and took a dim view of the self-serving, short-sighted practices on the part of the rich which intensify rather than ameliorate the hostility between classes. Ely addressed the issue of social polarization in numerous articles and books, and never tired of advancing the unifying principle of Christian love both within and among classes. Commons looked upon the social chasm as one of society's greatest evils and exhorted the Christian church to assume a leadership position in bringing the classes together. Commenting on the problem of social polarization and Christianity as a solution, he writes:

I believe there is but one solution for social problems. It is the bringing of the two extremes of society together, the wiping out of mutual misunderstanding, and the promotion of mutual acquaintance of each other's feelings, wants and hopes. In other words, it is the introduction of love into social relations. The present division of classes results in exclusiveness, ignorance of social conditions, and consequent hate. Both sides need to know by personal contact the conditions of the other. Both sides are to blame. Wage-workers misunderstand the rich and hate them. The well-to-do misunderstand the workmen and fail to give them sympathy. The fault of this evil condition is in the Christian Church. Christians possess the wealth and intelligence of the country. It is their duty to make the first advances.¹⁹

3.3 Distribution of Wealth

Social polarization was, of course, symptomatic of deeper, and in some ways more worrisome changes in the American socioeconomic milieu. One such change was the

increasing disparity in relative income between the newly emerging class of the super rich industrialist and the urban poor. Among the unforeseen consequences of late 19th century industrialization and the concomitant consolidation of capital was the advent of a class of large-scale capitalist proprietors whose wealth, power and conspicuous consumption were enormous even by modern standards. Despite absolute gains in the living standards of the average worker during the same period, the incredible wealth of America's richest families and the increasingly ostentatious behavior of the well-to-do did not go unnoticed, and, depending upon the person, evoked either an attitude of hostility or adoration. In either case, maldistribution of wealth had become a issue, and it was an issue that Ely, Commons, Clark, et al. could not ignore.

Of the small group of economists considered in the previous section, Commons was the most vocal in his criticism of economic inequality. In the first of four propositions presented to the Christian minister on the subjects of sociology and economics, he writes: "There is a social problem. In the last analysis it is none other than the distribution of wealth." He continues:

... What are the results of this condition? On the one hand there is great wealth, bringing great luxury and extravagance, great haughtiness and little thought for the trials and privations of the unpropertied. In the other is insecurity of employment and a servile dependence enforced by the whip of hunger, more inexorable than all tyrants. The moral effects of this condition are just what we should expect. Pauperism has become a subject worthy of scientific study. Crime has increased. Intemperance has become frightful, because life is dreary burden or work, with no future of relief, and food is poor in quantity and quality. The home is being disrupted, because the working people are crowded into open tenements and the family cannot meet its daily wants without the help of wife and children. All these evils do not tend to right themselves.²⁰

Elsewhere Commons writes that "to be tied to the earth by the daily necessities of life when others, with no greater needs, are wasting the fruits of our toil, is the essence of inequality and justice."²¹ On yet another occasion, he writes that even if one accepts the

contention that the lot of the working man is improving, it does little good to tell him "how much better off he is than was his simian progenitor."²² Passages such as this suggest that Commons looked upon economic inequality as a multifaceted problem, contributing to a general social malaise, a diminution of ambition and creativity, and a sense of exploitation, distrust, and despair.

Ely, Clark, Carver, et al. were likewise concerned about economic inequality, albeit for different reasons. Ely was of the belief that the prevailing distribution of income does not satisfy "in so high degree as one may rationally desire, the demands of ethics." "On the one hand," he goes on to write, "we see those who are injured by a superfluity of economic goods; and, on the other, those have not the material basis on which to build the best possible superstructure. In both cases this is waste of human power, or, we might say, waste of man."²³

Although Ely advocated the adoption of an inheritance tax as a means to equalize the distribution of unearned wealth, he was never a proponent of full economic equality, arguing instead for a meritocracy where each human is rewarded in accordance with his ability and willingness to serve humanity. He writes:

The eighteenth-century doctrine of essential equality among men is, in my opinion, pernicious. It seems to me that it has been a most fruitful cause of misfortune and misdirected social effort. It nourishes false hopes and turns attention away from facts of the utmost moment... Any social action based upon an assumption of equality is mischievous. It is especially the feebler members of the community who suffer under the doctrine of essential equality, because, as has been well said by a jurist, 'Nothing is more unequal than the equal treatment of unequals.' The doctrine of equality also weakens the feeling of responsibility on the part of those who are superior to their fellows either in their persons or their fortunes, whereas a frank recognition of inequalities and of the favored position of a few must tend to awaken in them a feeling of responsibility. As far as my general social philosophy is concerned, I may then say that I am a conservative rather a radical, and in the strict sense of the term an aristocrat rather than a democrat; but when I use the word 'aristocrat,' I have in mind of course not a legal

aristocracy; not an aristocracy born for the enjoyment of special privilege, but an aristocracy which lives for the fulfillment of special service.²⁴

The prevailing socioeconomic arrangements, in Ely's estimation, did not provide for such fulfillment, and it was in this sense that it stood condemned.

Similar to Ely, Clark was of the belief that distributive justice is a legitimate objective of economic science, writing that human welfare "is dependent not only on the quantity of wealth accumulated, but on the mode in which it is shared."²⁵ "There are two kinds of distribution," Clark declared, "there are good things to be divided when the production is completed, and there are disagreeable things to be shared during the process."²⁶ Unlike Ely who was more inclined to focus on the latter of these two distinctions, Clark emphasized the former, looking to equality in the distribution of final output as the focus of social improvement.

The maldistribution of wealth, Clark declared, was the source of much social conflict, and this, as much as any other reason, warranted a diminution of economic inequality. Taking issue with the harmony of interest postulate advanced by Smith, Bastiat, and others, Clark maintained that while a harmony of interest existed in the area of production, "there is diversity of interest in the operation of distribution." He goes on to write:

Capitalists and laborers are interested that as much wealth as possible shall be produced, for both are dependent on the product. The mill must be run, or neither owner nor employee can receive anything. When, however, the product is realized the relations changes; the question is now one of division. The more there is for the owner, the less can go to the men, and here is the source of conflict.²⁷

Social conflict as well as the many other problems associated with economic inequality were to be ameliorated and eventually eliminated through the inexorable force of moral consciousness. "The sense of right," Clark declared, "is a silent and slow-acting force, but when aroused, it is resistless. It makes a way where it cannot find one. It overcame obstacles in removing cannibalism and slavery, and it will overcome obstacles in

removing the abuses of the present."²⁸ It was a "sense of right" which was mobilizing the forces of labor into a unified bargaining unit, and it was "the sense of right" which would turn the resulting bargaining process from a crude struggle between labor and capital into an arbitrate process premised on social justice and morality. Clark believed that such a transition was well under way and would continue in the future as the "process of distributing wealth [comes increasingly] under the control of the moral forces of society."²⁹

Carver was likewise optimistic, but held a strikingly different view on the subject, arguing that the workings of the market and a relative abundance of capital to labor is the only viable solution to income inequality. "Not only is poverty unnecessary," he declared, "but we can have any degree of equality we want, if we are willing to pay the price and if we are willing to work in harmony with economic law rather than against it."³⁰ The economic law Carver refers to in this passage is none other than the law of supply and demand, and through the judicious management of these two factors society could realize any degree of equality it so desires. He writes:

The question of the low price of the poor man's labor resolves itself into the two questions, why is the demand for his labor so small, and why is the supply so large? When we are in a position to answer these two questions, we shall then, but not before, be able to suggest constructive remedies. That is, we can then begin to study how to make the demand greater and how to make the supply smaller. Working along this line, we can go as far in the direction of equality as we really care to, provided we are willing to work consistently, and accept the consequences of equality when they come. We shall also find that equality is quite consistent with the private ownership of capital, with the competitive system, with freedom of initiative, freedom of enterprise, etc.³¹

It was Carver's contention that the competitive wage rate, similar to any other factor price, is determined by the relative scarcity of factor inputs. "The best way of increasing the demand for labor," for example, "is to increase the supply of other things which have to be combined with it in production."³² Wages, according to this theory, will rise with either a diminution in the supply of labor or an increase in the supply of capital,

or, conversely, decline with either an increase in the supply of labor or an increase in the supply of capital. Since a rise in the wage rate is the stated objective and the only feasible means by which to achieve true economic equality, it stands to reason that society should pursue the twin objectives of abundant capital and scarce labor. This result led Carver to look upon thrift, education, selective immigration, and the trend toward fewer births per family as the means toward greater economic equality.

3.4 Economic insecurity and poverty

The problem of economic inequality was compounded by concurrent changes in the labor market. The emergence of large scale manufacturing had engendered a fundamental change in labor, management relations. The personal, almost family oriented relationship which had once existed between laborer and employer, had given way to an impersonal, distant relationship, one characterized by alienation, economic insecurity and hostility. The transition in the American labor market, as described here, is aptly articulated in the following autobiographical account by one of America's most famous presidents, Theodore Roosevelt. He writes:

The old familiar relations between employer and employee were passing. A few generations before, the boss had known every man in his shop; he called his men Bill, Tom, Dick, John; he acquired after their wives and babies; he swapped jokes and stories and perhaps a bit of tobacco with them. In the small establishments there had been a friendly human relationship between employer and employee. There was no such relation between the great railway magnates, who controlled the anthracite industry, and the one hundred and fifty thousand men who worked in their mines, of the half million women and children who were dependent upon these miners for their daily bread.³³

Ely, Clark and others, were well aware of the transition taking place in the American labor market, and it was this consideration, in conjunction with biblical pronouncements on poverty and justice, which prompted them to adopt a sympathetic position towards the precarious position of the working poor. Commenting on the related problems

of poverty and economic insecurity in late 19th century industrial America, Commons writes:

The seriousness of the problem of poverty to-day is not that there are greater numbers of poor, relative to the total population, than ever before, but that greater numbers are constantly on the verge of poverty. The fluctuations of modern industries, the panics and crises and industrial depressions throughout the world, are constantly shoving armies over the poverty line. And even in our best of times there are more men to work than places to work.³⁴

Andrews expresses similar concern when arguing that the poor are more often than not the chief victims of commercial crisis. "In fact, one of the very worst vices of present industry," he maintains, "is that it continually visits curses upon men for results which they had not the slightest hand in originating,"³⁵ In his paper on "Socialism and State Action," Bemis refers to an 1885 study conducted by the Pennsylvania Bureau of Industrial Statistics to underscore the precarious position of the laborer. Quoting from this study, he writes: 'the present amount of wages paid annually does not give to the wage-worker comfortable means of support and enable him to lay by even a moderate fund to meet the necessary exigencies he is almost certain to encounter.'³⁶

Carver was also motivated to write on the issue of poverty, and while he was more conservative in his overall economic philosophy, he was not unsympathetic to the plight of the poor. In the "The Responsibility of the Rich for the Condition of the Poor," he takes a dim view toward efforts on the part of the rich to diminish rather than improve the relative earnings of the poor. He recounts a story of how "poverty was about to disappear" in a relatively prosperous European city until the well-to-do mercantilist class contrived to reduce wages by importing laborers from the countryside. Commenting on such practices, he writes: "They [the rich] know too well that where labor is scarce and hard to find, their labor is well paid and well treated. But they also know that the opportunity for profitable exploitation is there reduced. The rich cannot get so very rich because there are none so

very poor."³⁷ Although Carver espoused a conservative economic doctrine, he did so not in the interest of the ruling classes, but in the belief that poverty could only be eliminated through a contrived shortage of the only commodity that the workingman had to offer, his labor.

3.5 Evolving Economic Relations

3.51 The Rise of Oligopolistic Market Structure

The problems of economic inequality, financial insecurity and poverty were compounded by an incipient trend towards ever greater concentrations of capital. The reasons for this development are many, and it would be difficult to isolate any one factor as the predominant cause of oligopoly capitalism. Several reasons, nevertheless, stand out including economies of scale, the rise of large scale international finance, and recurring commercial crises. Commenting on the trend toward oligopoly capitalism and how technological changes in the production process hastened the consolidation process, Clark writes:

The primary step in this movement toward consolidation consists of that supplanting of little shops by great manufactories which has been going on ever since the first applications of steam as a motive power. Heat is cheaper than muscular energy; machines are quicker and more accurate than hand labor; and large establishments, by the mere fact of their size, are more economical than small ones. They drive the small ones to the wall and possess the field.³⁸

In addition to a natural tendency towards industrial concentration resulting from economies of scale, corporations were often able to avoid the vicissitude of overproduction and underconsumption through the establishment of trusts and combinations. Given the choice between bankruptcy and survival, it was not uncommon for erstwhile competitors to hold a meeting for the express purpose of curtailing production and

dividing market shares. Commenting on this process, the famous 19th century industrialist Andrew Carnegie writes:

A demand exists for a certain article beyond the capacity of existing works to supply it. Prices are high and profits tempting. Every manufacturer of that article immediately proceeds to enlarge his works and increase their producing power.... New partnerships are formed and new works are erected, and before long the demand for the article is fully satisfied and prices do not advance... prices begin to fall... As manufacturing is carried on today, in enormous establishments with five or ten millions of dollars of capital invested and with thousands of workers, it costs much less to run at a loss per ton or yard than to check production... It is in soil thus prepared that anything promising relief is gladly welcome... Combinations, syndicates, trusts - they are willing to try anything. A meeting is called, and in the presence of immediate danger they decide to take united action and form a trust. Each factory is rated as worth a certain amount. Officers are chosen and through those the entire product of the article in question is to be distributed to the public at remunerative prices. Such is the genesis of "trusts" in manufactured articles.³⁹

The panics of 1873 and 1893 hastened this process, and by the end of the century complete sectors of the American economy were effectively controlled by a relatively small number of firms.

3.52 A New Economic Regime

The "American trust problem" evoked a general sense of uneasiness and anxiety on the part of economists schooled in the virtues of competition. Andrews looked upon the rise of oligopolistic capitalism as a potentially fateful event. "The practical and sociological bearings of what has been said are grave in the extreme, so grave, indeed, that I somewhat hesitate to announce them, lest you regard me as an alarmist."⁴⁰

The transition toward monopolistic capitalism was, in Andrews assessment, inexorable and largely irreversible. Yet, the consequences of this transition were not necessarily deleterious, but depended on the foresight and wisdom of society. If managed properly the

monopolization of industry held great promise; otherwise it held great distress. He writes:

... Competition in its ancient and familiar form is passing away, never to reappear. Monopoly, the new order, has in it the power to be immeasurably superior to that which it supplants. Society will find, however, that to realized this unbounded potential advantage, it must, more than has been necessary heretofore, substitute its own conscious control over the work of production for the spontaneous action of economic forces. If, through ignorance or undue reverence for tradition, it shall fail to do this, monopoly will prove no factor of social advance, but precisely the reverse.⁴¹

Despite the somewhat cautionary note echoed in this passage, Andrews was in the final analysis optimistic, writing that, "In the ages past, society has never gotten itself into an imbroglio without somehow finding a way out. It will be so now."⁴²

Similar to Andrews, Clark did not anticipate a return to the intensely competitive environment of the early to mid-Nineteenth century. Indeed, from Clark's perspective, competition had outlived its *raison d'etre*. Whereas it had once commended itself to men's "sense of right," competition had, in more recent years, evolved into something of a moral anachronism. Rather than promoting humankind's higher moral qualities, it had come to foster extreme individualism and immoral behavior, and it was this "abnormality" which laid the seeds for its eventual destruction. Commenting on this development, Clark writes:

Competition is essentially, a social agency for dividing the rewards of industry. It was not blindly adopted. As it came gradually into existence it demonstrated its capacity for dividing products with a certain approach to justice. It commended itself to men's sense of right, and was established as every social institution must be established, on a moral basis. It has passed through a development which has vitiated it. The conditions in which, in the most important development of its work, it can ensure justice have passed away; and it is the action of competition itself that has abolished them. The agency adopted because of the equity of its working has itself destroyed the conditions in which it can work equitably. Competition is, in the most important field of its operation, self-terminating. The more abnormally it flourishes, the quicker is its self destruction.⁴³

Oligopoly capitalism, the regime which replaced competition, afforded, in Clark's estimation, a greater potential for moral improvement. But improvement presupposes human direction and moral leadership, and it was this view probably more than any other which compelled Clark to look to upon "a sense of right" as a solution to the inequality and injustice associated with the large-scale concentration of capital.

3.53 Unbalanced Bargaining

The concept of social justice must have appeared as something of an oddity in an environment characterized by a pervasive system of trusts and combinations, wide-scale vertical and horizontal industrial concentration, price fixing, company owned and operated towns, and the like. Consider the classical and neoclassical concept of "free contract." The belief that unskilled, unpropertied workers engage in free exchange with powerful large-scale monopolists was, in Clark's assessment, a chimera. Exchange in the labor market was not always mutually advantageous, and it was only voluntary in the most exaggerated sense of the word. Such notions reflected a social and economic structure which had long since vanished. A new era had dawned, one characterized by a regime of "unbalanced bargaining." He writes:

Employers were once numerous, and were compelled to bid against each other for workmen; of late they have become few. The capital of a great corporation works as a unit in dealing with its men. Until recently the men have often been compelled to bid against each other for employment, while the employer in a given trade and locality has had the field practically to himself. Competition between employers has, of course, not ceased to exist; but has become, by the mere consolidation of capital, a force which, in efficiency, bears no comparison with the competition which has existed among laborers. Injustice results from the unequal motives of the parties in the process. Capital has needed employment that it might live. The competition which depresses wages is indefinitely stronger than that which raises them.⁴⁴

A similar view was held by Ely, Bemis, and Commons, all of whom looked upon the concept of free contract in the labor market as an antiquated concept without merit in

the era of monopoly capitalism. Commenting on the inherently inequitable relationship which existed between the destitute worker and the powerful monopolist, Commons writes:

This is the essential evil in the wide extremes of today. It is the ownership of all the opportunities of labor - the factories, the railways - by single corporations, or corporations acting as one, and their power to discharge workmen for any reasons they think fit. This is an imperial power, and may become tyranny.⁴⁵

The only solution, he went on to assert, was to recognize "in man as one of his inalienable rights, along with liberty, the right to employment."⁴⁶

3.6 The American Labor Movement

3.61 A Sympathetic View

Recurring crises, economic insecurity, poverty, unbalanced bargaining, and the proliferation of trusts and combinations led writers such as Clark, Ely, Bemis, and Commons to support the nascent American labor movement. While relatively small in terms of the overall labor force, labor organizations such as the Knights of Labor and the American Federation of Labor represented, in the estimation of these young economists, a just effort to redress fundamental social and economic injustice. Such was the view of Clark when he wrote, "The union of capital necessitates the union of labor. These two consolidations radically change the method of adjusting wages." He continues:

I am not guilty of supposing that I need here to offer an argument for the rightfulness of the principle of labor unions. That is now regarded as nearly axiomatic. Few indeed are the minds that cannot see that, as capital consolidates itself, labor must do the same. Even if the impersonal thing called capital consolidates were of exactly the same importance as the personal thing called labor. There would be equity in the division of products between them by a contest in which massed forces on the one side should contend with scattered forces on the other. If a consolidated labor union were to dictate terms to a thousand employers, isolated like the master workmen of mediaeval times, the conditions would be unfair to capital. If a corporation dictates terms to a thousand independent workmen, the

conditions are equally unfair. All argument, however, on this point is made to be antiquated by the progress of events, which affords object lessons everywhere, and which has, in fact, converted the capitalist world itself to a belief in the rightfulness of the principle of labor union.⁴⁷

Ely concurred with Clark's assessment arguing that the demands of the laboring class were intrinsically just and that in due time most Americans would sympathize with their cause. In the *Labor Movement in America*, Ely's most extensive work on the subject, he exhorts the laborer to imitate Christ, being forever faithful that justice will prevail. History has shown that "what one generation considered dangerous and even revolutionary, a later has looked upon as just and natural."⁴⁸ If this process should continue in the future, then it would be reasonable to expect the wide-scale adoption of those very demands which were once excoriated by main stream society. The worker, Ely declared, only needed to "organize and wait." "If you keep to the right the world will come to you. The right is bound to win."⁴⁹

3.62 Socialism and Labor Violence

Although Bemis, Commons, Clark, Ely, and Andrews were generally supportive of the American labor movement, they were adamantly opposed to the use of violence as a means to achieve social justice and were careful to distance themselves from groups which advocated insurrection or methods which might result in bloodshed. The 1880's was a particularly volatile period during American labor history, and random acts of violence such as those committed in the coal regions of Pennsylvania by the "Molly Maguires" or during the general strike of 1886 were not uncommon. The specter of widespread insurrection was not out of the question, and extremism on both sides only added to the volatility. In such an environment one could only hope that reason would prevail, and it was this desire which prompted Ely, Clark, Bemis, Commons, and Andrews to assume the role

of conciliator and social moderator, informing the public about the rightfulness and legitimacy of labor's demands and instructing the workingman as to how best to achieve his objective.

Such was the nature of John Bates Clark's article entitled "How to Deal with Communism." "Simple repression," Clark wrote, "is not a method which promises success; but this is the first step to be taken. The man who, driven by hunger, makes a murderous assault on some one for his money, must be disarmed before he is fed."⁵⁰ By similar reasoning, there exist "among the adherents of communism... a large element that is simply murderous, and this deserves the murder's fate."⁵¹ Such methods, however, are remedial at best and fail to address the origin of the problem. "No social disturbances which we have as yet experienced," Clark declares, "compare in their effects with the poverty, ignorance and brutality which are the causes of those disturbances, and which whether they result in riotous outbreaks or not, can ultimately mean only death to the nation."⁵²

The only practical solution, Clark asserted, was to fundamentally change our present mode of thinking: to reassess the evils upon which communism gleans much of its support; to inquire as to how social and economic evils were overcome in the past; and "to recognize the moral force by which these earlier evils have been removed, and to know that force is still equally powerful." Society, he goes on to assert, needs "to use such practical methods of remedying these abuses as are already at command, and to seek to discover methods as yet unknown."⁵³

Labor strife, political radicalism and the threat of violence were also consequential in the thought of Andrews, Commons, Bemis, and Ely. The ascendancy of 19th century socialist thought prompted Andrews to write two notable works on the subject, concluding that the claims of most socialist writers were excessively dogmatic and optimistic, and that such ideas are unlikely to yield a permanent improvement in the human condition. Social reformation, Andrews goes on to assert, must first be accompanied by an advance in the overall level of moral understanding and behavior.⁵⁴

In his "Socialism and State Action," Bemis reviews the positions advanced by a number of socialist writers and organizations. He reprints the platform of the Socialistic Labor Party of the United States in its entirety, so as to assess the relative merits of its many proposals. While "a few of the demands merit speedy adoption. Others are of questionable expediency, and still others are wholly impracticable and unwise."⁵⁵ Bemis takes a more sober view of socialist doctrines which sow the seeds of labor violence and insurrection, writing:

... perhaps a majority of those that preach these deeds of violence would fail in courage when the moment for action approached. The danger is rather that some time in a moment of frenzy, when a business revulsion or strike has thrown hundreds of thousands out of work, the more ignorant and discontented of our working classes, becoming gradually imbued with such doctrines and constantly taught that any means for removing their 'oppressors' are justifiable, will precipitate riots worse than those of 1877 in Pittsburgh.⁵⁶

Commons took a different approach to the issue of socialism. Reflecting his emphasis on the experimental approach to economic science, he made a special trip to the Christian community of Amana, Iowa, "the only communistic society out of thirty or forty established in America forty years ago that has increased both in number and wealth."⁵⁷ While he finds no fault with the Amana communists for choosing their kind of life, he personally found their society "to be too humdrum, too slow, too ancient"⁵⁸ for his taste. Moreover, given the propensity of incorrigibles and "sluggards" to avoid work and a general tendency of socialism to "stifle the private energy and enterprise of the people," he doubted whether such a scheme would work for a nation of 65,000,000. Despite such misgivings, Commons was generally supportive of the cooperative approach embraced by the Amana community and suggested that the nation would be well-advised to adopt a system which fosters a "higher unity - that of free and self-reliant human wills, cooperating not by compulsion, but as the natural expression of their moral, social, and industrial life."⁵⁹

Among all of the writers considered in the previous section, it was Ely who wrote most extensively on the related subjects of socialism and labor strife, and he more than any other understood the danger posed by a labor movement infused with a spirit of revolutionary fervor. While in Germany he had an opportunity to observe first hand the rhetoric and tactics of avowed revolutionaries, and it was the progressive ideas advanced by Germany's *Kathedersozialisten*, "socialist of the professorial chair," which shaped his own views on how best to respond to the socialist challenge.

Upon returning to America, Ely faced a challenge of a different sort - the task of informing a politically unsophisticated populace as to the nature and causes of class confrontation. Recounting the appalling ignorance of the American public, he writes:

.... the general public actually knew little about the various aspects of the labor movement. A reading of the press of that time will reveal an exaggeration of facts and figures which unduly magnified the power of labor organizations. This dramatic exaggeration of the forces of labor, and of the Knights in particular, made it impossible for the ordinary man to get a clear conception of the labor movement. He was unaware even of the elementary differences between socialism and anarchism.⁶⁰

Undeterred, Ely "plunged in and tried to make a road through the trees and to get a glimpse of the forest."⁶¹ Believing that his fellow countrymen and nation were at risk, he embarked on a crusade, publishing numerous tracts, articles, and books on the American labor movement and the broader issue of socialism. "The struggle between the organized forces of labor and capital which manifested itself in this spectacular crisis of the eighties," he would write in his autobiography, "indicated a conflict which was deep and which would probably be prolonged."⁶² It was a struggle which Ely could not ignore. "I had a mission that I must fulfill; in the words of St. Paul, as I wrote to my mother at the time, 'Woe is me if I preach not this gospel!'"⁶³

3.7 Moral Dualism

Tied to the foregoing concerns was a social philosophy which permitted businessmen to engage in the most egregious types of exploitative practices while maintaining an outward semblance of social respectability and Christian morality, or, in Ely's words, a philosophy which permitted men "to make long prayers on Sunday, if on weekdays they may devour widow's houses."⁶⁴ Moral ethics, as Bemis duly noted, had been separated into four distinct categories; "one for the Church on Sunday, a second for the home, a third for politics, and a fourth for business"⁶⁵ While the origins of this development were many, the principal culprit, in the estimation of Bemis, Ely, Clark, and others, was unbridled competition. Competition, Clark declared, has a tendency "to lower the moral standard of the business community to the level set by its worst members."⁶⁶ The end result is the morally dualistic businessman who appears as "Dr. Jekyll in the home, drawing room and the church, and Mr. Hyde in the counting house,"⁶⁷ an outcome entirely out of character with the teachings of Christianity.

3.8 The Failure of the Church and Religious Alienation

The separation of Christian moral values from economic issues originated during the enlightenment and reflected the gradual ascendancy of mercantile interest and individualism over the communalism and ethos of shared responsibility which characterized social thought during the reformation. By the 19th century, the process was essentially complete and horrendous stories of capitalist exploitation had become part of the common folklore throughout much of America and Western Europe. Social reformers on both continents relied on such stories to sway public opinion and promote progressive legislation, and proponents of the Social Gospel movement such as Ely, Clark, and Commons were no exception.

Yet, there was more to moral dualism than simply an affront to moral sensibilities, for in a very real sense it reflected American Protestantism's failure to address the crucial

issues of the day. A failure attributed by Ely and others to ignorance, an unwillingness to offend middle class patrons, and an outdated and erroneous theological doctrine. Such concerns are echoed in Andrews' *Wealth and Moral Law*, Bemis' "The Relation of the Church to Social Questions," Clark's "Spiritual Economics," Commons' "The Christian Minister and Sociology" and "The Church and the Problem of Poverty," and Ely's *Social Aspects of Christianity* and other writings. In all of these works the writer seeks to educate the Christian minister and parishioner, and redefine the church's view on business ethics, culpability of poverty, and social responsibility. To do less, Ely and others argued, would expose the church to one of its greatest failings: the mass exodus of the laboring classes from the ranks of believers.

4. The Relationship Between Christianity and the Secular World

4.1 The Role of the Church

Nineteenth century American Protestantism faced something of a dilemma. Many held that the church should remain true to the inspirational and spiritual teachings of its founder, avoiding potentially divisive issues which depart from the simple gospel of Jesus Christ. Others, however, espoused a different view, arguing that the church had a temporal responsibility to do what was good here on earth and to teach its followers to do likewise. Such was Andrews' view when he wrote that "a piece of time well used here on earth in the active love of man must be as beautiful a thing as any equal measure of eternity can be."⁶⁸

For still others, the issue took on a much greater meaning touching upon the historic role of Christianity in American society. Secular science, it was observed, had captured the high ground of intellectual thought. The theory of evolution had made considerable inroads in academic circles, and there was concern that the encroachment of science might threaten the very authority of the church, lending support to the argument that religion should be strictly separated from secular issues. This was the position adopted by Ely's

nemesis William Graham Sumner, and it was reflected in the gradual secularization of America's major universities and colleges during the latter part of the century. If the church had any hope of stemming the tide of secularism, it would have to reestablish a position of social and intellectual dominance in worldly matters. This was the view held by Clark, Commons, Carver et al., and although it was a view which was not uniformly shared by all Christians, it explains the effort on the part of these writers to infuse an element of realism into Christian thought.

4.2 Social Thought and Theological Relevance

Realism, however, meant different things to different people. To Clark it meant the workings of providence, or the unfolding of God's divine will as written in men's hearts from the beginning of creation. Although history moves in a circle, sometimes progressing, other times regressing, the moral truths of Christianity are unchangeable and unyielding. Over time, men's "sense of right" come to reflect such truths, subordinating the selfish desires of individual gain to the unifying principle of social justice. Social and economic development, according to this view, were destined from the beginning of creation to follow men's evolving "sense of right," to be informed by it and to be dictated by it. As society evolves along these lines it stands to reason that "applied Christianity" would assume an ever greater role in the daily activities of human endeavor, providing the religion of Christianity with a new meaning and purpose among the faithful.

Ely and Commons held a somewhat different view. Although they concurred with Clark's assessment concerning the importance of "applied Christianity" as a unifying and progressive force in the development of Christianity, they disavowed the possibility of a providential mandate. Rejecting the Calvinist doctrine of their Presbyterian forefathers, they looked upon humankind as a free agent with the capacity to choose between good or evil. History, in their view, was not deterministic, but a consequence of conscious human effort. "Applied Christianity" was a voluntary endeavor subject to the same false starts and

failures as any other human endeavor. If successful, applied Christianity would usher in a new era of prosperity, fraternal brotherhood and moral revival. Short of this outcome, Christianity as a religion stood the risk of becoming socially irrelevant, intellectually outdated, and perhaps, worst of all, an instrument for social oppression. Theological relevance thus presupposed some measure of social and scientific realism, and this could be best achieved through the integrative efforts of church, government and science in the aid of humanity.

Carver went much further in this regard, arguing that Christianity - or any other religion, for that matter - had meaning only insofar as it accomplished its social purpose here on earth. This purpose, Carver declared, was socioeconomic dominion over the earth. If Christianity realized this objective it would be "the religion worth having," otherwise it would not. Christianity, Carver concluded, contained the essential elements to accomplish this most fundamental of objectives, and it was the responsibilities of Christians everywhere "to restore the religion of today to its original potency as a motive force, and to combine with this the broad intelligence with which modern religious organizations are directing their rather feeble and half hearted efforts."⁶⁹

The foregoing discussion reveals a dual dimension to late 19th century Christian economic thought: a causal relationship where religion modifies socioeconomic thought and socioeconomic thought modifies religion. Clark, Ely, Carver and others not only looked to Christianity to inform their judgment on socioeconomic issues, they looked to developments in the socioeconomic realm to inform their judgment on the purpose and future of Christianity. Theological relevance and realism had become a paramount consideration during the latter part of the 19th century. Religious scholars such as Lyman Abbot looked to science as a source for religious relevance; Washington Gladden, Josiah Strong, Shailer Mathews and others looked to history, sociology and economics; Ely, Clark, Commons et al. did the same. From this standpoint, Christianity represented more than a convenient starting point from which to inform their economic thought; it served as

a prime objective of their efforts, an objective motivated in large measure out of a desire to adapt the religion of their forefathers to the reality of the 20th century.

5. Comparative Approaches

5.1 Social and Political Activism

As economists, the first and foremost concern of the writers considered in chapter two was to establish the extent and manner in which Christianity was relevant to the issues of the day. Opinions differed on this issue. In the case of Ely, Commons and Bemis, relevance took the form of education and moral revival, informing the Christian church and its followers on the rightfulness of social reform, economic opportunity, social equality, voluntary service, civic responsibility, fraternal brotherhood and Christian love.

It was their contention that America's many difficulties originated from a pervasive ignorance of its social and economic problems, a general apathy bordering on despair, and a social philosophy which legitimized all manner of selfishness and exploitation. If the Christian citizen was only informed as to the true nature and causes of poverty, exploitation and other social maladies, then he would surely support whatever measures were necessary to right such wrongs. If he would only take the opportunity to reevaluate his most fundamental of beliefs, looking upon his neighbor not as an economic competitor, but with a spirit of cooperation and Christian love, then he would be all too willing to work for others, placing the needs of community, country, and his less fortunate neighbor above his own. If Americans would only adopt the values, beliefs and fraternal spirit of their Puritan forefathers, then and perhaps only then would America realize the promise granted to all Christian nations during the millennial reign.

As the guardian of America's moral heritage and in keeping with its historic role as protector of the poor and disadvantaged, it was the church's responsibility to spearhead the edification of American society: informing its members as to the rightfulness of social reform, instructing the middle class on issues of sociology and political economy; and

performing many of the functions normally associated with modern day governmental social work. In Commons' and Bemis' thought and to a lesser extent in Ely's as well, the church represented the first and foremost instrument in social reform.

Christian service, however, should extend beyond the confines of the church, embracing all elements of society. Christians, Ely, and Commons declared, should assume an active role in politics, seizing the reigns of government from the ungodly and overcoming the obstructive forces of self-interest and greed. While opinions varied as to how best to accomplish this objective - with Ely and Bemis emphasizing the virtue of civic duty and self sacrifice and Commons the adoption of proportional representation - there was general agreement that all governmental decisions should be made in accordance with established Christian principles.

Christian principles and social teachings would also play an influential role in the areas of business, law, medicine, science, and the arts. Rather than abscond from the issues of class distinction, economic inequality, moral dualism, unethical business practices, monopolistic exploitation, corporate greed, evolutionary theory, etc., Christians should assume a position of leadership, restoring the element of morality to its rightful place as a paramount consideration in all public and private endeavors. Through such efforts secular institutions and society, in general, would come to acknowledge the preeminence of Christian principles in every realm of life, eschewing the philosophy of individualism and greed in favor of the Christian principles of self-sacrifice and common good.

Science would play an instrumental role in this effort, informing the church and government as to the nature and solution of America's many social and economic problems. Science had made tremendous progress during the latter part of 19th century. This was especially evident in the physical and biological sciences, but it was true for the social sciences as well. The economist or sociologist could look to advances in economics, sociology, anthropology, public health, nutrition, psychology, social evolution, criminology, etc. to explain the way we work and live. It was in these areas that the practitioner of

"applied Christianity" had much to learn, and it was in appreciation of this fact, that Commons and Ely declared that Christian ministers and social reformers should spend up to fifty percent of their effort studying sociology and other issues relevant to the application of the social gospel. They should consult regularly with social scientists and other professionals, and they should assume a leading role in advancing novel solutions to the social issues of their time. Rather than being antithetical to the cause of Christianity, as some might imagine, science, in the estimation of Ely and Commons, represented an important and yet untapped source of wisdom and knowledge.

The Christianization of society, as suggested here, comprised three distinct elements: the church, science, and government. It was the role of the church to educate, exhort and edify the masses as to the rightfulness and necessity of social change. The church would also assume the important function of instructing its members in the many areas apropos to "applied Christianity." Government would perform a similar function, but would rely less on voluntary service and more on the rule of law to effect social justice and economic opportunity. It was the role of science to inform both government and the church as to how best to accomplish the task at hand.

Among the immediate recommendations suggested by Ely, Commons, and Bemis were restrictions on unethical and exploitative business practices; public provision of education, transportation, parks, libraries, and sanitation; tenement housing reform; government ownership or regulation of natural monopolies; a recognition of the legitimacy and rightfulness of labor unions; an eight hour day; a general prohibition of child labor; a six day work week; temperance reform; criminal justice reform; and, in the case of Commons, proportional representation. But it was a transformation in the attitudes and opinions of the American public which Ely, Commons, and Bemis sought most, and this could only be accomplished through a complete restructuring of society, an objective proponents of the Social Gospel movement referred to as the "Christianization of America."

Such an outcome, however, was not foreordained, but required the unified support and concerted effort of the Christian majority. Without such support the Social Gospel movement would represent little more than an ill-fated collection of ideas, one of many such schemes to have foundered from lack of organizational structure and popular support. Ely, Commons and Bemis were clearly aware of such a possibility, and unlike Andrews and Clark who were content to take a more passive approach, each, in his own way, assumed the role of social activist.

Emphasizing the Christian media and education, and, of course, the church as a means to reach the general public, Ely, Commons and Bemis worked in close cooperation with each other and with other notable leaders of the Social Gospel movement. It was not uncommon for any one of these three writers to arrange a professional meeting, edit a newspaper column, prepare a sermon, give a lecture, or even form an organization for the express purpose of promoting the social gospel. The American Institute of Christian Sociology, the Christian Social Union, and the American Economic Association can all be traced to such efforts, as can numerous journal articles, books, editorials, sermons, and impassioned speeches on the necessity of Christianizing America.

Despite such efforts broad support for the Social Gospel movement never fully materialized and public interest began to wane during the early part of the 20th century. Perhaps sensing such an outcome and bowing to academic and political pressure, Ely, Commons, and Bemis withdrew from active participation in the movement during the 1890s, never again to assume an influential role in the area of socioreligious reform. It is noteworthy, however, that both Ely and Commons would later accept influential positions at the University of Wisconsin, a social laboratory for progressive ideas and secular social reform.

5.2 The Socioeconomic, Moral Approach

Clark and Andrews adopted a different approach. Although their social philosophies were in many respects similar to that of Ely, Commons, and Bemis, neither assumed

the role of social activist and both considered the rise of oligopoly capitalism as the single most consequential development in American society. The era of competition, they agreed, was drawing to a close. In its wake was a new economic regime, one characterized by combinations, syndicates, trusts, and monopolies. While the long term consequences of oligopoly capitalism were not yet known, the demise of competition was, in their estimation, not altogether undesirable, and assuming an enlightened response on the part of society, it could even engender a net improvement in social welfare. They disagreed, however, on how this might occur, with Andrews advancing the concept of a regulated pricing regime and Clark looking to a *de facto* system of wage-price arbitration.

Despite such differences, it was evident to both writers that an oligopolistic economic structure held certain advantages over the previous regime including economic stability and reduced cost through economies of scale and industry-wide planning and coordination. More importantly, the economic rent associated with monopolistic pricing need not accrue to the monopolist, but could be returned to the consumer through lower prices, as suggested by Andrews, or apportioned between capital and labor in accordance with established moral principles, as suggested by Clark.

In addition to pecuniary benefits, Clark enumerated a number of nonpecuniary benefits as well, including the elimination of exploitative practices engendered by cut-throat competition; a diminution of socialist agitation, labor strife, and costly strikes; greater cooperation between management and labor and between different social classes, in general; an abatement of the moral dualism associated with "abnormal competition"; greater economic equality; and the restoration of morality to its rightful place in the social and economic realm.

Morality, both Clark and Andrews held, was crucial to social and economic advancement. Indeed, civilization as we know it presupposes a certain level of social morality, and it is the socioreligious institutions of society which establish and strengthen the virtues which give rise to a prosperous society. History, they agreed, is replete with

examples of powerful nations and empires which have succumb to moral decay, and modern industrial societies are no exception. "The condition of success in any general system of cooperation," Clark writes, "is mental and moral progress. The permanence of republics has long been known to depend on these conditions; they are short-lived when the people are ignorant and bad."⁷⁰

Both writers looked upon the application of Christian ethics as one of the means by which morality is imbued in the mores, norms, and day-to-day workings of society. Ethics, according to Andrews, was to be informed by the Christian religion and, similar to Ely's rule of ethical evaluation, should serve as an evaluative benchmark by which to judge the propriety of various types of economic activity and endeavors. Andrews was quite specific in this regard, identifying a number of practices including stock manipulation, speculation, unfair bargaining, exploitative hiring practices, cornering the market, currency debasement, etc. as morally deficient. In accordance with Christian strictures, such practices should be disallowed in modern society, and this, he argued, could only be accomplished through outright prohibition.

Clark concurred with this view, but went much further arguing that the very socio-economic relations upon which society is founded are also subject to ethical evaluation, either conforming or failing to conform with the prevailing "sense of right." Society, Clark declared, historically abridged and modified socioeconomic relations so as to comport with prevailing moral views. This was true in the case of the socioeconomic organization and obligations during the medieval period, the subsequent transition from communal to private property, the gradual abolition of usury laws and other financial restrictions, and the codification of unbridled competition during the 18th and 19th centuries. Agrarian slavery, feudalism, and the "abnormal competition" which until recently characterized modern industrial society have been evaluated in this fashion and found wanting. A new system was being gradually introduced, a system characterized by arbitative negotiations between the massed forces of capital and labor.

While not perfect, the new regime was morally superior to the "abnormal competition" which characterized the previous regime. In addition to greater economic equality and social cohesion, the new regime restored humankind to their rightful place as the objective of all social and economic relations. The unskilled laborer would no longer be viewed as an atomized cog, serving the unyielding needs of capital, but the central element in God's grand creation, vested with inalienable social and economic rights. His ability to live and support his family would not be subjected to the soulless and volatile movements of the market, but would be determined by arbitration, and this, in accordance, with Christian moral values. He would be shielded from the economic distresses of commercial crises, poor planning and over production; he would share in the gains and losses of his employer, no longer viewing the worker-employer relation as one of concealed exploitation; he, in short, would live in the hope that Christian ethics and social justice will prevail in all matters pertaining to his social and economic existence.

The church would perform a special function in the new regime. Instead of adopting a passive, noninterventionist approach to secular issues, it would play a large and increasingly more vocal role in the distribution of economic output and as an adjudicator of economic claimants. Economic distribution, Clark held, is primarily an ethical issue, and it is the church's rightful responsibility to make pronouncements and decisions on such matters. In addition to strengthening the role of the church in secular issues - a role Clark considered to be unjustly diminished during the enlightenment, such efforts would help to infuse Christianity with a newfound meaning during an age of skeptics and, perhaps more importantly, replace the philosophy of individualism and materialism with one of cooperation and Christian love.

A regime of balanced bargaining was not the final stage in socioeconomic development. Over time an evolving "sense of right" would place even greater demands on social and economic institutions, requiring further progress in the areas of social and economic cooperation, egalitarianism, and social justice. This could come about in any one of

several different ways, either through the refinement and an expanded application of the arbitratative process, through the wide-scale adoption of cooperative forms of economic organization, or through a pervasive system of profit-sharing. In the more distant future, Christian nations could expect a transition to a system characterized by full economic equality and unbounded Christian love.

The interesting element in all of this, however, was the role of prevailing moral values in the determination of economic activity. It was society's "sense of right," Clark asserted, which informed its judgment on issues of social and economic importance. In due time, such views engender a change in socioeconomic relations, but not without opposition as economic necessity and entrenched self-interest act as restraints on social and moral advancement. Despite such opposition, the moral values of a Christian society will eventually carry the day, sweeping away the previous regime in favor of a more enlightened order. This process, Clark maintained, was inexorable, and given sufficient time, inevitable. Although history moves in a circle often repeating and reverting to the past, it is only a matter of time before all Christian nations would enter into an enduring period of peace, prosperity, and brotherhood.

It was in this latter sense that Clark's thought departed most decisively from that of Ely's. It was Ely's contention that social change was problematic, an outcome that may or may not occur depending on the actions of humankind. Clark, on the other hand, looked upon the process of social change in a deterministic fashion, with selfish, self-seeking practices being relentlessly vitiated by the social "sense of right." This outcome, according to Clark, was in complete agreement with God's divine plan for humanity, and given God's omnipotent power over all matters, was essentially predestined from the beginning of creation. Clark's thought, unlike that of Ely, Commons, and others, thus has a strong Calvinistic ring in many ways, and this may account for the apparent divergence in views on the issue of political and social activism.

It is noteworthy that Clark's social thought took an abrupt change a few short years after the 1885 publication of his *The Philosophy of Wealth*. Starting in the late 1880s and continuing through the 1890s and into the early part of the 20th century, Clark established a worldwide reputation as a first rate economic theorist. Eschewing the socioreligious approach which characterized much of his earlier thought, he focused on those issues central to the developing body of neoclassical economic theory. Unlike Ely and Commons, he did not retain his zeal for social justice, arguing instead that economic justice was fully realized through the workings of the competitive market, with the laborer receiving neither more nor less than what he "deserves." The transformation in his thought was complete and rather remarkable given the decidedly leftist leanings of his earlier contributions. While there has been much discussion as to what prompted such a complete turn in philosophy, a definitive answer continues to elude contemporary students of his thought.

5.3 The Evolutionary Approach

Carver adopted a much more conservative approach to the problems of his era. Reflecting a gradual transition in national priorities during the early part of the 20th century, Carver's thought was largely devoid of the voluntary ethos and spirit of cooperation and social conciliation which characterized Ely, Commons, or Bemis work; nor did he look upon the trend toward greater concentrations of capital as a harbinger of a new economic regime, as did Clark and Andrews. The latter concern had been addressed in large measure by antitrust legislation during the two decades following Clark's and Andrews' early contributions on the subject, and the "so-called labor problem" was, at least in Carver's estimation, in the process of being remedied through economic growth and the self-correcting tendencies of the market.

A new concern, however, fixated Carver's attention - the issue of national dominion. Nationalism had become a burning issue during the early part of the Twentieth

century, reaching something of a crescendo during World War I. Nurtured by disparate economic growth rates between competing industrial countries and an unraveling of traditional alliances and the prevailing balance of power, countries looked to military preparedness, patriotism, colonization, and perhaps for the first time, economic prowess as sources of national strength and prestige.

The United States was not above such concerns, and while it managed to avoid the web of alliances which characterized its European counterparts, it too was caught up in the nationalist fervor of the day. America had won the Spanish American war, defended the Monroe doctrine, and achieved a standard of living unsurpassed among industrial nations. The time was right for a more assertive position in world affairs, and some Americans, Thomas Nixon Carver included, looked to international hegemony as a legitimate objective of American foreign and economic policy.

The struggle for world dominion, Carver asserted, was a natural phenomenon, reflecting the broader struggle between all forms of life in a world cursed by scarcity. Scarcity, Carver maintained, was the fundamental problem of human existence. It was evident in the "allegorical" account given in the book of Genesis, and it is evident today. He writes:

Once upon a time there was a garden in which lived a man and a woman, etc. All their wants were fully satisfied by the spontaneous fruits of the earth. There was no conflict of nature, no struggle for existence, no antagonism of interests. But the gratification of a certain desire brought scarcity and scarcity brought antagonism of interests and the necessity for work. Paradise was lost.⁷¹

Similar to the many struggles recounted in the Bible, scarcity pits man against man, man against nature, and nation against nation. Modern man, similar to his biblical progenitors, has no choice but to provide for his needs through the sweat of his brow, always fearful that some other person or group of people will appropriate the fruit of his labor.

Such is the human condition, and it does little good to complain about such matters, for it simply reflects the fallen state of humankind.

The problem of scarcity, Carver held, could be understood in the greater context of Darwin's theory of evolution. Natural selection serves to eliminate those genetic strains which are least survivable in a particular biological environment. A similar phenomenon occurs in the social realm where individuals, groups, communities, societies, and nations engage in a relentless struggle for survival and dominion. Similar to other biological species, humankind must adapt to the rigors of life or succumb to his competitors.

Man, however, was granted an intellect and through intelligent endeavor can work with rather than against the laws of nature. Unlike lower forms of life, he is capable of observing, evaluating and modifying the way in which he lives. He can benefit from the wisdom of his forebears, relying upon those behavioral and social mechanisms which have proved beneficial in the past. He can employ technology and science in his service, and he can harness the forces of nature for both good and evil. Man, in short, has the ability to subdue both nature and his fellowman.

The Bible, Carver declared, holds much wisdom in this regard, informing the faithful as to how best to adjust to the problem of scarcity and socioeconomic competition. Jesus admonished his followers to be sober-minded, patient, thrifty, and hard working, laboring not for material gain or selfish recognition, but out of a sense of personal duty and social and spiritual commitment. Such behavior, Carver held, was in accord with the natural laws of creation, and to respect and abide by such laws is to lead a happy and productive life. To otherwise is to court financial ruin and servitude.

Biblical laws, Carver maintained, are also applicable to society. If all or most of the individuals comprising a particular unit of society behave in accordance with God's laws, then the individuals comprising such a group will collectively reap the blessings associated with the abundant life. If, on the other hand, this same group of individuals collectively chooses to ignore or defy the divine order of creation, then they will suffer the collective

consequences of their actions. Social responsibility, Clark declared, comports with the divine laws of creation and whatsoever a person, family, town, nation, etc. sows, so too will it reap.

Religion, in Carver's thought, thus represents a powerful instrument for good or evil. As a social institution it could either nurture the productive life, leading to abundant provision and national strength, or it could retard social and economic development, engendering economic impoverishment, internal conflict, or even colonial exploitation. The choice, Carver informs us, is ours. Since religion is part of the natural order and since natural phenomena are readily observable or identifiable through scientific inquiry, it is possible to select objectively among the world's religions and to do so without resorting to mystical stories or metaphysical interpretation. "The religion worth having," in short, was the religion which conformed to the God-given natural order - the religion which was best at nurturing the productive life.

The religion which fulfilled this criterion was first preached some two thousand years ago by a "hard-headed Galilean carpenter."⁷² Containing all of the elements necessary for the productive life, the prosperous community, and the strong and independent nation, Christianity held the key to national redemption. Christianity, however, had been adulterated and distorted over the centuries, first by the mysticism which infiltrated the Roman Catholic church during the middle ages and, more recently, by the gospel of weakness and personal irresponsibility which had infiltrated various Protestant denominations. The time had come to dispense with "mystical incantations" and restore Christianity to a motive force as a savior of nations and men. To do less, would demonstrate a wanton disrespect for the laws of creation, contributing to indolence, social decay, poverty, and the diminution of Christianity as a world religion.

Such was the role of religion in Carver's thought. It was entirely functional in purpose, having little to do with the here-after and almost everything to do with the here and now. What could be more important, Carver argued, than long term survivability, and how

better to assure survivability than by practicing a religion designed to accomplish this very end. This was the religious message preached by Christ two thousand years ago, and it is just as relevant now as then.

Carver's interpretation of Christianity obviously reflects the scientific realism of his age as well as the evolutionary philosophy of Spencer and other proponents of social Darwinism. Writing during a time of few social safe guards, it appeared evident, at least in Carver's estimation, that the consequences of economic failure were just as deleterious as those associated with moral failure. Indeed, he made little distinction between the two. The person who led the unproductive life would in all likelihood reap the bitter harvest of his actions, and in an era without governmental support, this might forever doom such an individual to substandard housing, poor nutrition, dangerous working and living conditions, and poor or nonexistent health care. Similar to the biological realm, survivability in early 20th century America was not an inalienable right; it was something earned through hard work, foresight, and wisdom. Such characteristics, Carver argued, were the key to financial security and a long life, and any action which did not comport with such behavior was not only unwise but immoral.

But there was more to "the religion worth having" than simply personal survival; for the survival of the group was also important, and this too could be assured through the practice of religion. The early 20th century represented an intensely competitive period between the world's powerful and weaker nations. Capitalism had given Western Europe, the United States and Japan the advantage in economic power, and it was only natural that this should translate into political dominance as well. By the turn of the century, most of the world's people were subject to some type of colonial or economic domination, and this by a relatively small number of industrial powers.

Industrialization, however, did not guarantee dominion, as the events leading up to and including the first World War clearly demonstrated. Industrial nations were also subject to economic and political domination and, similar to less developed countries or

societies, they too had to be prudent and strong lest they should succumb to a more powerful nation. This was the world in which Thomas Nixon Carver lived, and it was a world which required continuous vigilance and strength. "The religion worth having," he declared, provided this strength, promoting economic vitality, a Stoic philosophy of self-denial and cooperation and, perhaps most importantly, an enduring character which even the most determined opponent would find difficult to suppress. Christianity was this religion and it was in every nations' interest to adopt its teachings or suffer the fate of all societies which defy the divine order of creation.

6. Desire for Intellectual Coherence

All of the writers thus far considered were of the opinion that economics should go beyond the deductive, mechanistic relationships which had come to characterize much of the classical and newly emerging neoclassical economic thought of the period. Influenced by the German historical approach to economics, they sought to present their ideas in the greater context of those considerations which motivate and shape human endeavor. Opinions differed on how best to accomplish this objective, but there was a general agreement that religion along with history, sociology, psychology, etc. play an important role in economic decision making and social development and that the economic profession is ill-served by skirting such issues. It was this belief which prompted Ely to write: "... it is hard to think of anything more unscientific than any philosophy of society which neglects a consideration played in its evolution by religion. The attempt to neglect this role is more than unscientific; it is absurd."⁷³

In order to appreciate how Ely and others came to such an understanding, one must recall that all of the aforementioned writers were products of devout Christian households and a Christian subculture which emphasized and encouraged good Christian conduct. Most could trace their heritage to the Puritan immigrants who settled in New England during the 17th century, a lineage rich in the tradition of self-sacrifice and Godly

devotion. Their fathers and fathers before them were either directly involved in church ministry or had a strong desire to so. Their home life was punctuated by hard work, humility, personal and social sacrifice, a spirit of cooperation, and a reverence for God and his creation. Finally, all were expected at some point in their life to follow the vocation of their forefathers and enter the ministry, and although none of the economists considered here would pursue a dual career as did, say, Thomas Malthus or Philip Wicksteed, the religious zeal and experience imparted during their youth strongly influenced their perception of what is and their view of what ought to be.

Religion, first and foremost, was not something to be taken lightly. Its influence on personal and social behavior, desires, aspirations, and practically every other attribute motivating human endeavor was, at least in the case of the devout believer, consequential and decisive. Christianity was not simply a cursory application of ancient rituals nor a social practice steeped in tradition; it was a belief system and lifestyle which influences practically every element of the Christian's religious and social existence.

The socioreligious thought of the writers considered in chapter two is pregnant with this perception. The inductive-behavioralist approach advanced by Commons was premised on the belief that social and moral considerations fundamentally influence human behavior and that our socioeconomic system is essentially comprised of interrelated actions motivated by such behavior. Social and economic relations, in his view, did not simply spring from the unguided efforts of like-minded wealth maximizers, but reflected the conscious, concerted actions of those who do good and those who do not. The role of the economist, he held, was to study such behavior, identifying through empirical investigation the many relationships linking social morality to social and economic consequences and, upon doing so, to promote those institutions and behavioral characteristics most conducive to a Christian society.

Commons' early home life was quite influential in this regard, providing first hand accounts and experience on the nature and accomplishments of Christian social activism

and suggesting the means to improve human character. His mother was an ardent abolitionist, a proponent of women's suffrage, and an organizer, spokesperson, and leader in the Christian temperance movement. Not surprisingly, these very same considerations were evident in much of Commons' early thought. He wrote frequently on the importance of moral behavior, going to considerable lengths to establish a causal relationship between intemperance, sloth, poor health, etc., on the one hand, and social and economic consequences, on the other. In keeping with such views, he advanced the widespread adoption of Christian social work as a means to foster personal and moral responsibility and advocated proportional representation as a means to overcome intransigent vested interest. The personal almost detail oriented approach he took toward these and other issues reflected the grassroots Christian activism of his day, and it was an approach which carried over to his entire socioeconomic philosophy - a philosophy characterized by observation, personal experience, an avoidance of *a priori* reasoning, and a personal affinity for the people whom he studied and sought to change.

Commons was not unique in this regard. All of the writers thus far considered were greatly influenced by the Christian subculture of which they were a part. Christian doctrine informed their judgment concerning the immorality and inadequacy of the wealth maximizing paradigm; personal experience confirmed this belief. The hard-working, sober-minded Christian farmer, laborer, and businessman was motivated by a multitude of considerations: a desire for wealth being one factor, a desire to serve God, community, and country being yet another. The atomistic, self-centered individualism posited by classical political economists of the period was not only immoral, it was empirically dubious. Man not only had the potential to be motivated by higher ideals, he, in fact, was motivated by higher ideals.

In deference to this belief, Ely, Commons, Clark, et al. sought to develop a new approach to economic inquiry, one which, in Clark's words, will "broaden the conceptions

of wealth, as the subject of the science, to find a place in the system for the better motives of human nature..⁷⁴

A final consideration in the desire of these writers to achieve a level of intellectual coherence was a firm belief that the Christian God whom they hailed allegiance to should not be excluded from considerations so vitally important to the health and well-being of His creation. The secularization of academic and social discourse which started during the enlightenment continued to gain impetus throughout the 19th century. By the end of the century, a move was under foot to completely exclude moral or normative considerations from economic science. Positivism was gaining adherents, and it was a movement all of the writers, with the possible exception of Carver, viewed as an affront to their beliefs, their culture, and most emphatically, to their God.

The Social Gospel movement was premised on this belief, and ancillary associations such as the American Institute of Christian Sociology and the Christian Social Union - of which Ely, Commons and Bemis played an influential role - were established with the avowed purpose of presenting "Christ as the living master and King and Christian law as the ultimate rule for human society, to be realized on earth, "⁷⁵ or as stated in the bylaws of *The Kingdom*: Christ should reign supreme "in all the affairs of life - intellectual, social, commercial, political and ecclesiastical."⁷⁶

7. Christianity and Normative Evaluation

Closely related to the issues raised in the foregoing discussion on intellectual coherence, was a fundamental belief that economic analysis was inseparable from normative issues and that Christian ethics and morality along with other considerations should inform such judgment. As economic and social historians, Ely, Commons, et al. were well aware of the many stories of social injustice and hardship associated with 19th century industrialization. How, it was pondered, could a supposedly just and moral economic system continually crush the human spirit under the weight of untold suffering? Could such a state of

affairs be fully reconciled with biblical teachings? The answer given by all the writers with the possible exception of Carver was no. The prevailing economic system was not, as some had maintained, the incarnation of divine perfection here on earth, nor did it represent the best possible system given man's fallen nature. Interpretations to this effect represent little more than a rationalization of greed, social injustice, and economic exploitation.

Where else, Richard Ely asserted, but in England, the standard bearer of 19th century liberalism, could employers require children to work twelve and fourteen hour days and then attend Sunday service - their consciences clear of any sense of wrong doing or impropriety. Such behavior was obviously not in accordance with the teachings of Christ. It was only because the 19th century church had abdicated its responsibility to God in favor of support from the emerging class of business proprietors that such an unfortunate state of affairs had arisen. Similar to the Old Testament prophet Jeremiah, Ely urged both the church and the body of Christian believers to repent and acknowledge the wrongdoing being perpetrated against humanity.

Such sentiment prompted Ely, Commons, Clark, Bemis and Andrews to extol the virtues of economic intervention. The workings of competition, in their view, was not only imperfect, it constituted the source of much social and economic evil. Since social evil often originates from moral failure and since the prevailing socioeconomic system promoted rather than diminished man's baser impulses, there were few reasons to believe that self-correcting tendencies would invariably right such wrongs. Quite the contrary, for in the absence of high-minded, altruistic efforts on the part of concerned citizens, social and economic inequality, exploitation, poverty, class hostility, etc. would in all likelihood become worse rather than better. The only solution, therefore, was to pursue an interventionist policy with an avowed moral objective, and while views differed on how best to pursue this objective, all agreed that Christianity should be the basis for any such effort.

While all of the aforementioned writers concurred with the foregoing imperative, Ely was the most explicit on how it should be implemented, arguing that economic science

should focus on the ethical element in human endeavor. As a first step, he advanced a new objective for the science: economics should foster the highest level of achievement attainable for each and every human being. In keeping with this objective, institutions and social relations should be evaluated on the basis of whether or not they promote this objective. The role of the professional economist, Ely went on to declare, was to provide the policy prescriptions designed to accomplish this very purpose.

Although Ely was rather vague concerning specifics, he was adamant that such an approach was in the long run interest of all Americans, Christian and nonChristian alike. More importantly, a program designed to foster the highest level of personal achievement was in keeping with the teachings of Christianity. Christ, Ely declared, preached essentially the same message some two thousand years ago. The parable of talents, which contrast the fate of the servant who was a faithful steward over his master's resources with that of the servant who was not, clearly establishes personal stewardship as an imperative in God's grand design, and it would be a strange religion, indeed, which promoted such a philosophy without supporting its full implementation. Economics, Ely concluded, should be tied to the overriding question of social ethics, and Christ's allegory on personal stewardship provides a clear exposition on how this was to be done.

8. Christianity as a Rhetorical Device or as an Ameliorative Element

Ely's use of the parables of the talents can be interpreted in either one of two ways: first, as a foundational presupposition upon which all other arguments necessarily follow, or, second, as a rhetorical device designed to explain, emphasize, or establish a commonality of belief with one's audience. The former interpretation is implicitly premised on the belief that a particular biblical reference, in this case the parable of the talents, represents a definitive statement on the subject, outweighing all other interpretations, passages, or doctrines bearing on this issue. The latter interpretation makes no such assertion, but simply suggests that the reference in question comports with but does not unequivocally

support the argument being made. In recognition of the devastating critique recently leveled at foundationalism in the postmodernist literature, the latter of these two interpretations is adopted in the following discussion.

Assuming that Christian rhetoric performs a normative as opposed to a foundational function, the discussion then turns to identifying the role of such references in the socioreligious thought of a particular writer. Does such a reference contribute to a specific relationship embedded in the writers thematic approach to socioreligious thought? Does it set forth the meaning or purpose of the discussion, facilitating an understanding of a particular issue, heightening or emphasizing a particular idea, or, does it, as in the case of Ely's reference to the parable of talents, establish a commonality of belief with one's audience? The answer to such questions depends, of course, on the classificatory system used as well as the interpretation of how a particular Christian reference, doctrine, or belief is being used.

While a number of alternative classificatory schema are appropriate, all such classifications must distinguish between Christianity being used as a rhetorical device or as an ameliorative element. As a rhetorical device, the writer relies on Christian language, expression, stories, beliefs, etc. to either (1) explain or emphasize elements of the discussion, or (2) establish a commonality of belief, interest, or objective from which like-minded readers can reason together and pursue a common course of action. As an ameliorative element, Christianity performs a more distinctive role: serving as a basis for an alternative set of behavioral assumptions, supporting and linking specific social and economic relationships, and providing an overall structure or theme to the writer's socioreligious paradigm.

8.1. Christianity as a Rhetorical Device

8.1.1. Christian Rhetoric Used as a Point of Emphasis

All of the writers considered in chapter two relied on Christian rhetoric to emphasize a particular element of their discussion. When Richard Ely declared "woe is me" he was drawing an obvious analogy between himself and the apostle Paul, emphasizing in dramatic fashion the moral compulsion which motivated him to address the issues of the day. Bemis' reference to 'give us our daily bread' performed a similar function, heightening or emphasizing the plight of the starving masses. The analogy between economic failure and the unpardonable sin made by Carver represents yet another example, depicting social failure in the most vivid, shocking language possible. In all such cases, the Christian economist eschews his role as analyst and commentator for that of reformer and crusader, employing Christian text to evoke strong emotional images from the reader's background and understanding of sacred text.

8.1.2. Christian Rhetoric Used as an Explanatory Device

Christian rhetoric served an explanatory purpose as well, conveying the meaning of unfamiliar social and economic concepts in a mode of language comprehensible to 19th century Christian America. Such was the purpose of Clark's reference to the 'the tie that binds' in his paper on "Spiritual Economics." Clark's usage of this phrase was clearly predicated on the belief that his readers were familiar with this phrase and had some understanding of its biblical usage, and it was precisely this understanding he sought to build upon when conveying his own message on social solidarity. Ely's advice to the laboring class to 'be ye also patient' and to abide by the golden rule 'Do unto others as ye would that others should do unto you' performed a similar function, imparting what he considered to be an essential precondition for social justice in a language which even the poorly schooled laborer of the time was familiar with and could comprehend.

8.1.3. Christian Rhetoric used to Establish and Promote a Shared Social Vision

While such examples are not inconsequential, the principal role of Christian rhetoric in the thought of Ely, Clark, Commons, et al. was to establish a commonality of belief for the purpose of promoting an essentially normative objective. Consider, once again, Ely's reference to the parable of talents. As noted earlier, his usage of this Christian teaching does not unequivocally establish the primacy of ethics in economic inquiry, nor does it provide an explicit insight as to how ethics are to be applied on a case by case basis. What it does do, however, is to present an essentially normative position in a context the reader can relate to, understand, and, most importantly, accepts as a starting point for further discussion.

As suggested throughout the foregoing discussion, Ely looked upon economics as a normative discipline and the role of the economist as the purveyor of normative ideas. References to scriptural text in his writings were not employed as a theoretical foundation for an economic or social theory, but as mode of persuasion, advocacy, or instruction. Christian rhetoric was instrumental in this regard allowing him to convey the normative agenda in his thought in a context his largely Christian audience viewed as being most appropriate. His audience, it should be kept in mind, was not only Christian, it was Christian with a particular theological and philosophical bent, and it was to this group Ely preached his message of socioreligious redemption. While he had an obvious desire to influence the opinions of those who did not share his zeal for social reform, his first and foremost concern was to impart an agenda for social change to those who did. Christian rhetoric was not only the best means to accomplish this end, it was, given the Christian background and normative predisposition of his audience, the only means.

Ely, of course, was not the only economist to rely upon Christian rhetoric to establish a commonality of belief for the purpose of advancing an essentially normative objective. All of the writers considered in chapter two engaged in this form of exposition, and some were quite candid concerning their normative agenda and how they sought to

use Christian rhetoric to achieve it. In his *Institutes of Economics*, Andrews starts with the presupposition that political economy is essentially a normative endeavor, and that the Christian economist not only has the right but the responsibility to seek improvement in the social and economic condition of the poor and this through the dissemination of a Christian code of social and economic conduct. The economic elevation of the poor, he declares, will prove to be ultimately an ethical and educational work and that Christian religion "... rightly understood, includes all true morality."⁷⁷

Andrews' book *Wealth and Moral Law*, which was directed in large measure towards the Christian clergy, represented just such an endeavor. As in the case of his many other writings, Andrews premises his discussion on the belief that moral failure represents the fundamental shortcoming or flaw in all economic societies, irrespective of structural composition or ownership of property. He then goes on to identify the moral failures specifically associated with the then prevailing socioeconomic system. These included unproductive or wasteful modes of social and economic behavior and morally questionable business and economic practices. While the identification of such failures is not unimportant, the most interesting insight to be gained from this work is the implicit belief on his part that his audience concurs with his assessment of what does or does not constitute social evil. His very characterization of moral failure presupposes a common view of right and wrong, and it was this commonality in perception he consciously sought to marshal in an effort to effect specific changes in the prevailing social and economic milieu.

Carver's work *A Religions Worth Having* is perhaps the most conspicuous example of how Christian rhetoric was used to elicit support for an essentially normative agenda. Similar to the other writers considered in chapter two, Carver relied on Christian writings to emphasize, explain, and, above all else, establish a commonality of belief and purpose with his audience. Where he differed from the other writers, however, was the social vision he sought to promote and the audience he sought to enlist in this endeavor.

Carver's audience was much different from the theologically liberal, socially progressive, and perhaps more learned segment of the general population Ely, Commons, Clark, Andrews and Bemis sought to enlist. While one can only speculate as to its specific composition, it would be reasonable to assume that he directed his discussion towards those who held similar normative views. This would include a favorable predisposition towards social Darwinism, a firm belief that America should pursue its manifest destiny, and a belief that traditional institutions in American society, religion included, serve a fundamentally sound and beneficial purpose.

Given such a set of presuppositions, Carver's role diminishes to that of story teller: the person who presents the embodiment of a given set of normative beliefs as part of a logical, coherent structure of thought. The story Carver tells links the objectives of national strength and sovereignty, personal and social responsibility, and a reverence for traditional institutions and private property to a single unified theme: the role of religion in social and national survival. Christianity, he asserted, was the religion which comported best with this story, and it was a story conservative Americans of like philosophical persuasion would find most appealing.

The foregoing discussion is revealing insofar as it suggest that Christian rhetoric as described here was not, as some might believe, a disguised form of religious demagoguery - a modern rendition of medieval priests shaping the views and behavior of the Christian masses in accordance with their enlightened view of the way the world should be. Although there was an element of this as there is with any normative imperative, such a view misconstrues the normative role of Christian rhetoric in the thought of Ely, Andrews, Carver others. While the objective being advanced was clearly normative, it was a normative vision largely shared by the Christian subculture to whom they addressed their message. The message the writers in chapter two sought to impart reflected the preconceived notions of their audiences, their unspoken, inchoate ideas of what America should be. The

role of the writer was to identify and expound upon such views in an effort to facilitate the normative agenda he and his audience shared.

8.2. Christianity as an Ameliorative Element

While all of the writers in chapter two looked upon Christianity as an integral element in the prevailing socioeconomic milieu, most stopped short of identifying the relationships linking Christianity to specific economic outcomes such as unemployment, inflation, interest rates, national income, or the various social and economic relations associated with the production and distribution of goods and services. Two notable exceptions were Commons and Clark, and in this final section we explore the ameliorative element in their socioreligious thought.

As a starting point it may be insightful to examine Ely's efforts to establish Christian social activism as a motive force in society, and how despite such efforts - or perhaps because of such efforts - his thought lacked the type of ameliorative relationships which characterize that of Commons and Clark. Much of Ely's socioreligious thought originated with his reference to Christ's teaching on the two commandments in his *Social Aspects of Christianity*. It was Ely's contention that the church had honored the first of these two commandments, 'thou shall love the Lord thy God with all thy heart and all thy soul,' through its various efforts to teach and disseminate the gospel, but had failed to honor the second commandment 'thou shall love thy neighbor as thy self' due to a lack of social commitment.

Upon identifying a number of the adverse consequences associated with 19th century Protestant America's failure in this regard, Ely advanced a set of measures aimed at redressing the problem. These included a fundamental emphasis in clerical education towards social issues, the restoration of Christian scholarship to its former leadership in secular affairs, and a much greater role by government and church in shaping the way Americans work and live. He also advanced a number of policy prescriptions including the

abolition of child labor, a six day work week, universal public education, and a moral campaign against public corruption, etc.

Although Ely identified many of the more favorable social and economic consequences attributable to such efforts, he failed to specify the underlying qualitative relationships linking the two. Social solidarity and social service could be expected to effect a number of positive changes in society including greater social and economic equality, a restoration of communal spirit and fraternal brotherhood, and an amelioration of worker alienation, poverty, and exploitation. As to how or why such changes would take place, however, the reader could only guess. Ely's thought, in short, was devoid of relational content linking Christianity to specific sociological and economic consequences.

Despite the absence of ameliorative elements, Ely's efforts, were not entirely unproductive; for his normative imperative was seized upon by Commons, Bemis, Rauschenbusch, Ryan and others, and, at least in the case of Commons, some headway was made in identifying the relationships between the policies advanced by Ely and the resulting social and economic outcomes.

8.2.1 Christianity as an Ameliorative Element in Commons' Thought.

Although Commons thought was motivated for the most part by a desire to effectuate a normative agenda, he delved, at least to some degree, into the institutional, social, and psychological determinants which shape human endeavor, and, in so doing, suggested how Christianity had the potential to indirectly influence specific social and economic outcomes through its influence on such determinants. Social and economic problems, Commons held, were the product of prevailing institutional arrangements and social and psychological maladjustment. Both of these causal determinants served to interact and reinforce the other, creating a type of social malaise characterized by intemperance, crime, a disintegration of the family, poverty, exploitation, ignorance, and a myriad of other social maladies. The entrenched system of private property and wage slavery contributed to

economic insecurity and the cramped, unsanitary conditions prevailing in many American cities. These conditions, in turn, gave rise to the type of socially maladjusted behavior which made the problem of urban poverty appear almost intractable to the causal observer at the time.

Compounding the problem was a tendency of socially and economically debilitating modes of behavior to be passed on from one generation to the next, reinforcing rather than diminishing the downward spiral toward sloth, crime, intemperance, poverty, etc. If the poor were to rise above the wretched conditions in which they live, they would have to adopt those modes of behavior most conducive to a productive life. It was precisely these characteristics, however, which were most threatened by the reinforcing effects of institutionalized deprivation and the concomitant problem of maladaptive behavior, and, once lost, the intergenerational transference of skills, training, knowledge, morals, etc. gives way to a type of social and moral devolution. "Evolution," Commons writes, "is not always development upwards. A new race of men is being created with inherited traits of physical and moral degeneracy, suited to the new environment of the tenement house, the saloon, and the jail."⁷⁸

The solution to this problem, Commons asserted, was Christianity. Corresponding to his theory on the dual sources of humanity's many problems, institutionalized deprivation and maladaptive behavior, Commons advances two distinct solutions: first, the church should assume the role of social inculcator, imparting a code of conduct, skills, and knowledge to that segment of the population devoid of such understanding; and, second, Christians and progressively-minded citizens of like persuasion should use the powers of government and the political process to surmount the institutional barriers to progress. The first of these two solutions, what might be referred to as an elaborate program for the inculcation of socially and economically productive behavior, was predicated on the belief that maladaptive behavior is primarily a consequence of social failure. This might occur either through a failure of the family, community, or society to impart productive skills,

knowledge, character, etc., or through the impersonal pressures and demands of the modern market economy which places undue stress upon the individual's psychological makeup, the family, and the community.

Christianity, Commons held, was unique in its ability to address both problems. Socially unproductive behavior required the type of personal intervention and instruction that Christian ministers were traditionally familiar with. Moreover, the Christian minister was in an ideal position to impart such instruction to the educated laymen. All that was necessary was a willingness on the part of concerned Christian to impart an understanding of how to live and conduct oneself in a modern market economy. To facilitate such an effort Commons recommended that the minister and the "educated man" should be instructed in political economy, sociology, criminology, psychology, anthropology, and other areas relevant to the task of Christian social work.

Commons advanced a similar plan to aid those individuals or families beset by psychological stress or social disintegration. It was obvious, at least to Commons, that the modern capitalist system imposes stress and hardship on those members of society who are least responsible for their condition. In such cases, the church has a responsibility to aid those who find their economic and social existence threatened through no fault of their own. This could be accomplished in a number of ways, but, most fundamentally, it requires Christians to adopt a more loving attitude to those individuals, families, or communities beset by unusual difficulties. The community church would play an important role in this regard, serving as the focal point for social and community activities and providing an extended network of personal discipleship and ministry to those most in need.

Commons also looked to Christianity to play an instrumental role in overcoming institutionalized deprivation, albeit by different means. As a starting point, he suggested that all social problems are predicated on a Christian understanding of good and evil. Without such an understanding problems as modern society perceives them simply would not exist. As an example, he cites the institution of slavery which for many centuries was

considered an acceptable part of the natural social order. Although Christ did not explicitly preach against such arrangements, the social and moral expectations associated with the spread of Christianity served to eliminate this and other practices as a basis for social and economic organization. The same was true of modern democratic government which originated with these very same expectations. The process, Commons goes on to declare, is far from complete, and the social and moral expectations engendered from the teachings of Christ would continue to play an active role in secular affairs until social and economic justice is fully secured on earth, or in his words "The sword of Jesus will not be sheathed until every man has an even chance here below."⁷⁹

This would be accomplished through the Christianization of society and political activism. Christians, Commons asserted, should seek to Christianize every element of society, especially that of government. Government, in his estimation, held a unique role in modern society, for it was only through the workings of government that the entrenched position of vested interest could be overcome, and it was only by overcoming such interest that social justice could be secured. To accomplish this end, Commons called on the Christian citizen or the 'educated man' to take an active and progressive role in political affairs, placing the welfare of others, especially the lower classes, before his own or that of the social or economic class to which he belongs.

To facilitate this objective it would be necessary to adopt a system of proportional representation based on a working plurality rather than a two party system. The latter system afforded too much power and influence to vested interest, who through their ability to swing the decisive vote on a number of key issues were often able to secure an effective veto over any legislation which threatened their privileged position. By placing practical limitations on the ability of such groups to extract political concessions from the rest of the legislature, proportional representation would pave the way for genuine institutional change.

Commons' dual approach to the nations' social ills reflected his fundamental belief that social decay was a systemic element of modern capitalist society. The solution, in his estimation, was not to address specific elements of the problem such as unemployment, poverty, ignorance, social disintegration, etc., but to address the social, psychological, and institutional origins which give rise to such problems. To address one or more of the many elements of the problem without addressing the overall cause represented only a partial and temporary solution to systemic social decay, and it was a complete and permanent solution which Commons sought to achieve.

Although the relationship between Christianity and systemic social decay was indirect, it was the relation Commons sought to identify and employ in his effort to lift the lowest segment of the population above the poverty, ignorance, and self-destructive behavior which had come to characterize a large cross section of the urban poor. In linking Christianity to such issues, he identified two separate solutions to two separate problems: Christian social work as a solution to maladaptive behavior and the Christianization of government and political activism as a solution to institutionalized retardation. In both cases, the condition of the urban poor is linked to Christianity: first, through the influence of Christianity on social and individual behavior; and, second, through the changes wrought in prevailing institutional structures by a mobilized Christian electorate.

8.2.2 Christianity as an Ameliorative Element in Clark's Thought.

John Bates Clark also endeavored to identify the relation between Christianity and specific social and economic outcomes. Unlike Commons, however, he held that the origins of such relations were to be found in the biblical account of creation, and it was to the book of Genesis that he turned for an understanding of man's social and economic nature. From the moment Adam's fall awakened in him "the conscious of his simplest artificial wants, and of the necessity of supplying it by making nature serviceable,"⁸⁰ man was destined to enter into increasingly more complicated social and economic relationships in an

effort to satisfy a corresponding proliferation of wants. Herein lies the directive 'to replenish the earth and subdue it,' and it is in fulfillment of this injunction that economic and social development is purposed.

The Genesis account also describes the process by which man attained an understanding of right and wrong, a perception which grows more acute over time and which accounts for the historic struggle between vice and virtue. If virtue is to triumph, as it must if God's plan for world redemption is to be brought to fruition, virtue must eventually dominate, and for this to happen, altruism must supplant selfishness as the dominant ethos in society. This in fact was occurring, Clark asserted, for with each passing generation man's economic existence is characterized by greater social and economic interdependence, and interdependence implies by its very nature that man is laboring less for himself and more for others. Mere altruism, Clark declared, is facilitated by a higher form of altruism or unselfishness, and together these two types of altruism determine the prevailing system of beliefs or "sense of right."

Clark's interpretation of the Genesis account is instructive on a number of counts. First, it affords a behavioral description of man which differs from that posited in classical and neoclassical economics. Human wants, according to Clark, are not a "given" manifestation of man's inherent nature, as suggested by most orthodox economists, but are the consequence and the cause of economic development and this in accordance with God's divine plan. The Genesis account also serves as a foundation for Clark's theory concerning the relationship between Christianity and institutional evolution. The knowledge imparted when Adam ate of the tree of good and evil, according to Clark, reverberates throughout history, manifesting itself in an increasingly more enlightened understanding of right and wrong. It is this understanding or "sense of right" which determines what does and does not constitute an acceptable mode of economic activity or organization, and it is Christianity which informs men's judgment on such issues.

Related to men's sense of right and the indirect role Christianity plays in human affairs is the more direct role performed by the church. Oligopolistic capitalism, according to Clark, was in the process of being replaced by the countervailing forces of mass capital and labor. The church, Clark declared, will assume a leading role in this transformation; first, as a social conciliator and peacemaker and later as a mediator between social claimants. As a "diffuser of spiritual impulses" the church would also serve to hasten a more permanent form of economic organization, a system which "in its different forms ... is the Christian socialism of Maurice, Kingsley, Hughes."⁸¹ The church's role in this latter regime would be especially significant, as evolving forms of economic organization come to reflect the moral rather than economic considerations. In the more distant future, the church would perform its greatest role, ushering in a period of full economic and social equality.

When considered together, the relationships developed in Clark's socioreligious thought provide a unified model of human development: explaining all socioeconomic developments of any consequence in terms of one coherent plan, a plan motivated and largely dictated by the fall of man and God's response to man's fallen condition. Contrary to the humanist doctrines of the time, God, according to Clark, not only plays an active role in human affairs, He performs the central role, having established the relations underlying social and economic development from the beginning of creation. This process, Clark asserts, has continued unabated until the present time, and while no one could foretell how many generations must pass before God's plan is brought to complete fruition, mankind can, nevertheless, look forward to period characterized by Clark as "surpassing in its attractiveness, the socialist dream,"⁸² a time when "all hearts will be bound by Christian love."⁸³

8.2.3. Commons' and Clark's Thought Contrasted

A comparison of the ameliorative elements in Commons' and Clark's thought suggest a number of similarities as well as differences. It is evident that both writers viewed systemic institutional change as a product of an evolving moral climate. There was some disagreement, however, on the origins of such beliefs, with Commons emphasizing the growth in moral expectations associated with the dissemination of Christianity and Clark the eventual triumph of altruism over selfishness. Both concurred, however, that Christianity informs man's moral judgment and that the ethos of Christianity did not comport with the prevailing regime.

They also held similar views concerning the role of the church in economic and social affairs. They both looked upon the church as an inculcator of spiritual and moral values and as an arbiter of issues involving social and moral justice. They were also of the belief that the historic role of the church had been unjustly compromised due to the ascendancy of mercantilistic interest during the 19th century. It was this diminution in influence which contributed to the prevailing social malaise, and if society were to improve in any substantive way, the church would have to be restored to its former position as an influential force in society.

Apart from such similarities, the ameliorative element in the thought of these two writers differed quite markedly. Whereas Clark looked to the Genesis account to explain man's social and economic nature, Commons looked to more immediate causes such as institutional deprivation and social devolution. Owing to this distinction, Commons thought spanned a much shorter time horizon, corresponding roughly to the advent of the American industrial revolution and the concomitant urbanization of American society. While many of the intergenerational behavioral attributes which Commons criticized were part and parcel of American society since colonial days, it was the more recent institutional changes which had engendered the systemic decay in American society, and change,

if it were to come, would have to address the issue of institutional retardation first and foremost.

Clark's thought, on the other hand, spanned the history of man, beginning with the Christian account of creation and ending with the coming millennial Kingdom. The problems he sought to address as well as the solutions he proffered, were, as a consequence, of a much longer duration. While he and Commons shared many of the same concerns, the emphasis was quite different, with Commons looking to change those institutional structure most responsible for the plight of the poor and Clark to a fundamental transformation in economic distribution in the short run, and production and social relations in the long run.

Not surprisingly, the policy prescriptions advanced by both writers reflected their differing views on the nature and solution to society's problems. While both emphasized the church as an instrument of social change, Commons' approach was much more micro-oriented, identifying a large number of specific actions aimed at reaching and influencing the lowest segment of the populace. The role of the church in Clark's thought, on the other hand, was more macro oriented with the church serving as a mediator between social claimants, as moral vanguard for the initiation of sweeping institutional reform, and as source of guidance for the eventual establishment of morally acceptable forms of economic organization. Finally, given the origin of man's nature posited by Clark and the resulting tendency of historical development to follow a foreordained path, his thought was much less exhortative than Commons', reflecting perhaps his belief that human events are largely dictated by the events set in motion at the time of creation.

The foregoing comparison reveals the importance of ameliorative elements in the Christian economic thought of both writers. In the case of Clark, the behavioral foundations of his thought shaped his view on how men interact with each other in their economic endeavors, and it was this consideration which informed his overall approach to economic inquiry, an approach motivated and informed by the moral as well as physical

element in man's efforts to provide for his wants. Commons' thought, on the other hand, was predicated on a much different behavioral assumption, one which linked man's economic behavior directly to his environment. On the basis of this assumption, he derived the two major imperatives of his Christian economic thought: the elimination of institutional deprivation and the fostering of productive modes of behavior. While Christianity was instrumental in the thought of both writers, the function it performed as well as its relation to human economic endeavors was quite different, and this as we have seen is a consequence of the underlying assumptions upon which their thought was premised.

9. Conclusion

The foregoing discussion makes a case for interpreting the Christian political economy of the late 19th, early 20th century from a relativist standpoint. The Christian social thought of the period is inextricably linked to the general issues and concerns of the day and, as is true with most social thought, it is impossible to adequately understand the overall thrust of any of the aforementioned writers without some understanding of the concerns which motivated their efforts.

For Ely, Commons, and Bemis, the most immediate concern was class antagonism and labor strife. Contrary to the religious doctrines of their forefathers, their country was deeply divided along class lines. Surely Christianity had something relevant to say about this most fundamental of issues, and it was to Christianity they looked as part of an overall solution. Andrews and Clark concurred with this view, but argued further that the problems of the day reflected more fundamental changes in socioeconomic relations. Any solution, they agreed, must in some way account for such change, and it was in this regard that Christianity held special relevance, reintroducing an element of morality and reason into a system which had become functionally aberrant and increasingly immoral.

Carver, who wrote a decade or two later than the others, looked at the world from a completely different perspective, viewing all issues in the greater context of scarcity and

the struggle for survival. The struggle for dominion, he declared, simply reflected the natural order, and the best way to assure personal and social survival was simply to abide by nature's laws. Such laws were preached some two thousand years by a "Galilean carpenter," and one need look no further for a solution to humankind's many problems.

Despite such differences, all of the writers considered thus far were motivated by a common sense of urgency, an urgency born out of religious and scientific upheaval, moral decay, economic insecurity and poverty, social and national conflict, and a general uneasiness over the present and future course of their country and their religion. Writing some fifty years after the fact, Richard Ely explained why he and others were prompted to take on the role of social missionary. He writes:

What we young fellows were concerned about was life itself, and the controversy in regard to methodology was simply a surface indication of forces operating more deeply. We believed that economics had, it itself, the potency of life. In the vast field of research which lay before us, and through research, the opening up of fields which had been cultivated only to a limited extent, we felt we had opportunities for service of many kinds... Looking about us with open eyes we saw a real labor question, whereas some of the older school talked about a "so-called labor question." We saw a good deal of poverty on the one hand and a concentration of wealth on the other hand; and we did not feel that all was well with our country. We felt that something should be done to bring about better conditions. We had a glimpse into the fundamental institutions of our economic life, and discovered that these were in a state of flux. We thought that by getting down into this life and studying it carefully, we would be able to do something toward directing the great forces shaping our life, and directing them in such a way as to bring improvement.⁸⁴

Ely's desire to bring improvement was shared by all of the writers considered in the previous section. As patriots and as Christians they were motivated to address those concerns which they considered threatening to the livelihood and survival of their fellow countrymen and nation. The religion of their forefathers appeared to hold important clues as to why and how such problems arose, and it was to Christianity they looked as an integrated part of an overall solution. Where they differed, however, was the relative emphasis

they placed on various issues, and these differences probably more than any other account for the resulting difference in their respective views on the social and economic role of Christianity in American society.

Footnotes

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- ³ Clark, John Bates. "Christianity and Modern Economics." *New Englander and Yale Review*. July 1887, p. 50.
- ⁴ Andrews, E. Benjamin. *Wealth and Moral Law*. Hartford, CN: Hartford Seminary Press, 1894. pp. 19-20, 49-51.
- ⁵ Commons, John R., "The Church and the Problem of Poverty." In Commons, John R., *Social Reform & The Church*. New York: Augustus M. Kelley, 1967, p. 30.
- ⁶ Commons, John R., "The Church and Political Reforms." *Social Reform & The Church*. New York: Augustus M. Kelley, 1967, p. 77.
- ⁷ Bemis, Edward W.. "Socialism and State Action." *Journal of Social Science*, September 1886, p. 34.
- ⁸ Andrews, E. Benjamin. "Individualism as a Sociological Principle." *Yale Review*. II, May, 1893, p. 26.
- ⁹ Carver, Thomas N., "The Basis of Social Conflict." *American Journal of Sociology*. Volume 13, 1908, p. 631.
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- ¹¹ Andrews, E. Benjamin, *Wealth and Moral Law*. Hartford, CN: Hartford Seminary Press, 1894, p. 10-25.
- ¹² Andrews, E. Benjamin. "Economic Reform Short of Socialism." *Yale Review*. II, May 1893, p. 282.
- ¹³ Ely, Richard T., *Social Aspects of Christianity*. Reprinted in Robert T. Handy (Ed.), *The Social Gospel*. New York: Oxford University Press, 1966, p. 203.
- ¹⁴ *op cit.*, Andrews, E. Benjamin. *Wealth and Moral Law*. p. 19.
- ¹⁵ *op cit.*, Commons, John R., "The Church and the Problem of Poverty," p. 38.
- ¹⁶ *ibid.*, p. 47.
- ¹⁷ Bemis, Edward W., "Old Time Answers to Present Problems as Illustrated by the Early Legislation of Springfield." *New Englander and Yale Review*. February 1887, p. 127.
- ¹⁸ Ely, Richard T., *Social Law of Service*. Reprinted in Robert T. Handy (Ed.), *The Social Gospel*. New York: Oxford University Press, 1966, p. 224.
- ¹⁹ Commons, John R., "The Christian Minister and Sociology." *Social Reform & The Church*. New York: Augustus M. Kelley, 1967, p. 11.
- ²⁰ *op cit.*, Commons, John R., "The Christian Minister and Sociology." pp. 5-6.
- ²¹ *ibid.*, p. 10.
- ²² *ibid.*, p. 7.
- ²³ *op cit.*, Ely, Richard T., "Ethics and Economics." p. 52.
- ²⁴ Ely, Richard T., *Fundamental Beliefs in My Social Philosophy*. Reprinted in Robert T. Handy (Ed.), *The Social Gospel*. New York: Oxford University Press, 1966, p. 220.
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- ²⁸ Clark, John Bates. "How to Deal with Communism." *New Englander and Yale Review*. July 1887, p. 569.
- ²⁹ *op cit.*, Clark, John Bates, "Christianity and Modern Economics." p. 50.
- ³⁰ Carver, Thomas N., "The Cure for Poverty" In Thomas Nixon Carver, *Essays in Social Justice*. Cambridge, MA: Harvard University Press, 1915, pp. 349-350.
- ³¹ *ibid.*, pp. 350-351.
- ³² *ibid.*, p. 351.
- ³³ Quoted from Everett, J.R., *Religion in Economics: A Study of John Bates Clark, Richard T. Ely and Simon N. Patten*. New York: King's Crown Press, 1946, pp. 5-6.
- ³⁴ *op cit.*, Commons, John R., "The Church and the Problem of Poverty," p. 37.

- 35 op cit., Andrews, E. Benjamin. *Wealth and Moral Law*. p. 115.
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- 37 op cit., Carver, Thomas N.. "The Cure for Poverty." p. 379.
- 38 op cit., Clark, John Bates. "Christianity and Modern Economics." p. 55.
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- 41 *ibid.*, p. 1.
- 42 *ibid.*, p. 12.
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- 46 *ibid.*, p. 35.
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CHAPTER 4

SURVEY OF CONTEMPORARY CHRISTIAN ECONOMISTS

Paul Heyne

1. Introduction

Paul Heyne - educator, commentator of social and religious ethics, and economist - has devoted a large part of his professional career responding "to the paradox of people who verbally condemn institutions that they enthusiastically and effectively support with their actions."¹ Born on November 2, 1931, Heyne received his M.Div. from Concordia Seminary in 1956, his M.A. in economics from Washington University in 1957, and his Ph.D. in ethics and society from the University of Chicago in 1963. Over the past three decades he has taught at a number of leading universities including the University of Illinois, Southern Methodist University and, since 1976, the University of Washington. He has published extensively in the areas of history of economic thought and ethics and economic systems. His most notable work, *The Economic Way of Thinking*, was first published in 1973 and is now in its seventh edition.²

2. The Inadvisability of Integrating Christianity and Economics

Unlike all of the other economists considered so far, Heyne is opposed to the *explicit* integration of Christian and economic thought. It is his contention that efforts to integrate these two distinct areas of knowledge are fraught with serious problems and that both economics and theology would be better served by maintaining a strict disciplinary boundary between the two. In making this assertion, Heyne is not suggesting that Christianity has no influence on economics, nor is he suggesting that economics has no influence on Christianity. "I want to make it clear," he writes, "that I completely repudiate the claim that values do not or should not influence social inquiry." "Because my faith," he continues, "shapes who I am and who I want to be, it affects the way I do economics: the issues

in which I am interested, the methodological conceptions with which I approach them, and even the theories and evidence I find persuasive." It is his contention, however, "that the Bible and other Christian sources provide *no clear guidance* for the formulation of economic policy in our society."³

In a recent statement prepared for the Association of Christian Economists, Heyne identifies three distinct reasons why Christian ethical insights cannot "effectively guide Christian economists in putting their discipline to work."⁴ These include conceptual problems associated with using Christian ethical principals as a foundation for economic knowledge, the pollution of the democratic process, and the diminution of the Gospel. Each of these criticisms along with a number of related criticisms are addressed in the following discussion.

2.1. Christian Ethical Principles

"The most interesting fact about theological perspectives on economic systems," Heyne writes, "is how many conflicting ones there are."⁵ As an example, he points to the dissimilarity between the first and second drafts of the bishops' *Pastoral Letters, Toward the Future* by the U.S. lay committee, and *Ethical Reflections* by the Canadian conference of Catholic bishops. While all of these pronouncements are written by members of the Catholic church, they reach remarkably different conclusions on economic policy - a fact which, in Heyne's estimation, should give the authors of these and similar publications reason to pause and consider just what it is they hope to accomplish. He writes:

I do not know why the fact of such conflicting visions disturbs so few of those theologians who continue to draft or endorse new church pronouncements on the economy. If they believe that truth is most likely to emerge from contention among many conflicting viewpoints, they ought to be concerned that so little dialogue actually occurs among those who come to flatly contradictory conclusions about the implications of the Christian faith for the ordering of economic life. Perhaps they think that the task of theological ethics is to raise consciousness, and that the mere process of producing a church pronouncement justifies itself by generating concern.

The trouble with such a rationale is that it undermines its own objective by implying that theological pronouncements are not serious intellectual statements.⁶

Theological pronouncements on the economy, according to Heyne, have as much to do with perceptions of Christianity's social relativism or lack thereof as it does with any clearly defined plan for economic and social action. A common theme in many Christian pronouncements on the economy is that Christianity *must* in some way be relevant to society. The God who created heaven and earth, according to this reasoning, would not have left issues so vital to His creation to our own devices. Surely He must have provided guidelines on how to order our economic affairs, and it is the Christian's responsibility to search and interpret Scripture so as to determine how this should be done. Expounding on this theme, Heyne writes:

The Christian faith makes claims about a God who created heaven and earth, all things visible and invisible. It says that this God intervened in human history in the person of one Jesus of Nazareth. It asserts that this Jesus is now Lord and that all things are eventually to become subject to him. Does it not follow inevitably that there exist moral principles that are peculiarly Christian and yet sufficiently universal that they can be used to order social structures in contemporary societies? And if they exist is it not the obligation of faithful Christians to discover them, and secure their acceptance?⁷

Heyne, however, is not convinced. While there is much in the Bible which can be interpreted as supporting a "socialized" view of Christianity, he firmly believes that efforts to obtain a "Christian perspective on the economy" from New Testament writings are ill-advised. The New Testament, he declares, was never written with such a perspective in mind. He writes:

It follows at once that there is no Christian perspective on the economy for the same reason that there is no Christian perspective on organ transplants. The issue simply was not contemplated in the first century of the Common Era, because the economy had not yet been discovered. What we do find in the New Testament is an extraordinary disregard for almost everything in which economists are interested.⁸

In support of this contention, Heyne points "to the church in Jerusalem immediately after Pentecost." According to the book of Acts, followers of Christ who lived in Jerusalem during the first century AD "held everything in common: they would sell their property and possessions and make a general distribution as the need of each required."⁹ Although one could interpret this passage as a biblical sanction of communal ownership, Heyne maintains that the message is more personal than social. He writes:

The reaction of the Jerusalem church to the Pentecost event appears to have been a courageous and faithful response to the proclamation of Jesus as recorded in the synoptic gospels: Take no thought for tomorrow; give to everyone who asks; do not pass judgment. Those who correctly hear what Jesus is proclaiming will be reckless of consequences in their social dealings. The underlying theme is to trust in God rather than possessions.... Those who are anxious about food and clothing do not understand what is required for life.¹⁰

The emphasis here is on personal faith, not on social reorganization. There is absolutely no evidence to support the contention that writers of the New Testament were interested in structural or institutional change. Quite the contrary, for rather than being called to transform society, followers of Christ were bid to be politically subordinate. He continues:

It would be odd, then if this attitude of recklessness toward personal possessions were accompanied by a concern for the reform of social systems. No such concern can in fact be found in the New Testament. All three synoptic gospels record the question directed to Jesus about the payment of taxes and his response: Hand over to Caesar the things of Caesar, and to God the things of God. The Greek word *apodote*, translated *render* in the King James Version, conveys the sense of putting something away by surrendering control.¹¹

Political subordination is also evident in other biblical passages such as the apostle Paul's teaching in the thirteenth chapter of Romans that "each person subordinate himself to the officers of the government," and in the First Letter of Peter where Christians are instructed to "Subordinate yourselves to every human institution for the sake of the Lord."

The Christian's responsibility to society, Heyne concludes, is unequivocal: "the faithful should hand over (*apodote*) what is owed ... honor, obedience, respect, and taxes. Beyond this, the only obligation that the faithful ought to owe is the obligation to love one another."¹²

Adding to the error of writers who erroneously look to the New Testament to support their view of a just social order is the desire, at least on the part of some, to premise their social thought on what Heyne refers to as "universal moral principles." The bishops' *Letter* provides a case in point. In their effort to make ethical judgments about the economy the bishops attempted to construct a "moral vision." This vision, according to Heyne, had to be Roman Catholic or they "would have no warrant for issuing their letter." But it went further than this. There was also a desire to enter into a "dialogue with those in a pluralistic society who, while not sharing our religious vision or heritage, voice a common concern for human dignity and human freedom."¹³ The Catholic bishops thus sought to construct a "Christian vision" on the basis of global principles, an endeavor which Heyne believes is inherently impossible. "No such vision," he exclaims, "can be constructed, least of all in the last quarter of the twentieth century..." He continues:

The serious question is not whether a committee of theologians can articulate a Christian vision of economic life that is also capable of commanding the assent of all those who profess to value human freedom and dignity. They obviously cannot. The question is rather why so many Christians persist in believing that this can be done.¹⁴

In answer to this question, Heyne suggests that "ethical judgments all too often simply reflect what people 'feel' about a particular issue and not what they have doggedly determined to ascertain." People in effect are merely saying "something about [their] own inner feeling in the guise of a statement about the external world." While such sentiment is often couched in terms of "our opinion," with the understanding that such opinions can be wrong, it is seldom presented in its true guise, that of a "feeling."¹⁵ Economic

pronouncements premised on "feelings," Heyne goes on to suggest, are unfalsifiable. Consider, for example, the following statement from the second draft of the bishops' pastoral *Letter* on the U.S. economy that 'current levels of unemployment are morally unacceptable.' The question posed by Heyne is how might such a statement be tested? He writes:

I do not believe that the bishops or any of the other commissions and task forces that have recently presented statements of the Christian perspectives on economic life could give a satisfactory answer to that question. By this I mean that they could not give an answer that would satisfy themselves, one that they would be willing to articulate and defend. The ethical judgment is unfalsifiable.¹⁶

Unfalsifiability is further compounded by selective perception. "The 'clear implications,'" Heyne writes, "are discerned only by those who have already reached these conclusions by other means."¹⁷ Such bias can occur in either one of two ways: Christian social analysts select the particular economic model or type of analysis which best comports with their religious presuppositions; or, conversely, they select the particular biblical reference or theological view which comports with their economic views. As an example of the former, Heyne points to the omission of price theory in the U.S. Catholic bishops' pastoral *Letter*, an oversight which, in his opinion, reflects nothing less than a willful disregard for established economic principles. He writes:

The authors of the letter had obviously not given any sustained thought to the coordinating functions of the price system in a modern economy characterized by extensive division of labor and continuous change. Why? Because economics of this sort provides no grist to their mill. Since there are plenty of economists not especially interested in microeconomics, they felt no obligation to study those who were. One of the greatest advantages possessed by those who enter a discussion without knowing its context is that they can employ weak arguments with a clear conscience.¹⁸

In the above passage, theological presupposition influenced the selection of an economic paradigm. For many writers, however, the influence goes the other way, with economic presuppositions influencing the writers' theological views. Perhaps the most notable example of this latter type of bias, according to Heyne, is the transformation in the theological views of the Catholic social commentator, Michael Novak. Novak, Heyne reminds the reader, was "'converted' to a new set of economic stories" in the early 1970s. But what about his theology? "Did he," in Heyne's words, "undergo a roughly simultaneous religious conversion?" Heyne believes he did. "The religious narratives," he writes, "that inform his 1969 book *A Theology for Radical Politics* are very different, it seems to me, from the religious narratives contributing to the 'theology of the liberal society' that Novak sets forth in his 1986 book *Will it Liberate*." The cause and effect, Heyne declares, are fairly obvious: "The new economics is clear, concrete, and buttressed by examples. The new theology is vague, abstract, and filled with ambiguities." Novak's economic conversion influenced his theology, but it did so in such a way that his theology became little more than an afterthought, embellishing but not vital to his economic thought.¹⁹

In addition to theoretical problems, there are a number of practical problems associated with the explicit application of Christian ethical principles to economics. One such problem, according to Heyne, involves interpretation. Even when a writer systematically lays out those principles he considers germane to his argument, there invariably arises questions as to how such principles are to be interpreted. As an example Heyne points to the Christian economic thought of Herbert Schlossberg. In a paper entitled "The Imperatives of Economic Development," Schlossberg advances the following Christian principles as crucial to economic development:

1. *The earth was created by a just and loving God, so that its resources are not going to run out before their Creator intends.*
2. *God created us in His image but this image is marred in sin.*

3. *The Biblical message on economics is that we reap the consequences of what we sow.*
4. *Work, an orientation to the future, investment, saving and the control of consumption are essential ingredients in a healthy economic system and specified in the Bible as requirements for those who are to be faithful to God.*²⁰

In response to the first assumption, Heyne writes that one can "concede this assumption and go on to ask whether anyone knows the Creator's timetable." With regard to the second, he writes that "this assertion can be made to imply almost anything, depending on whether the person using it chooses to stress the image or the marring." The third assumption seems to reflect the bias of the writer. "Doesn't the Bible," Heyne asks, "also say that God sends rain on the just and unjust?" The fourth and final assumption appears to be something of a mystery. Heyne considers it to be empirically valid, but he is not convinced that the imperatives contained in this statement are in any way Christian or biblical. The conclusion to be drawn from all of this is clear: Christian principles do not provide a definitive, unambiguous guide to economic and social policy, nor is there any reason to believe that they should.²¹

At a more fundamental level Heyne does not view ethical foundations, Christian or otherwise, as crucial to good economic analysis. What is crucial is the analysis itself. It is his contention that the hardest task facing Christian and nonChristian economists alike "is to agree on the specific policies most likely to promote our common objectives." Deriving the actual goals, he asserts, "is much less of a problem, since we don't really disagree in any fundamental way on our basic values." Milton Friedman, Heyne reminds the reader, was of the same judgment when he advanced his famous "irrelevancy of assumptions" argument over forty years ago, and it is an argument Heyne find himself "increasingly attracted." "Whatever its deficiencies," he goes on to write, "it contained an important insight: A lot of different structures can be built on any given set of foundations, and foundations inadequate for some purposes may be more than adequate for others."²²

As an example, Heyne contrast the respective work of the noted Austrian economist F.A. Hayek with that of the Christian social commentator Ronald Sider. Although he disagrees with the assumptions advanced by Hayek, he find "his analysis of markets and 'spontaneous orders' passing almost every test to which I can put it: coherent, consistent with the evidence, applicable to a vast range of circumstances, predictive, explanatory, generative of new insights." Sider, on the other hand, premises his social thought on very compelling assumptions, those which Heyne finds himself largely in agreement, but which fails to make a convincing argument. His "social analysis," writes Heyne, "fares poorly on the tests that Hayek's analysis passes so spectacularly."²³

These and other problems have led Heyne to take a dim view of Christian ethical principles as a foundation for economic analysis, writing that "theological assumptions almost never carry implications for the economy that are sufficiently clear to resolve issues in controversy."²⁴ In fact, the opposite appears to be true. Foundational principles take on an importance which far outweigh their relative contribution to the discussion. Moreover, since there exist no universally accepted set of Christian principles and since there is no basis for determining which principles are best or most appropriate, issues are not resolved they are merely argued. "The debate," according to Heyne, "turns raucous as implications of indifference to suffering and injustice are exchanged for charges of culpable ignorance, each side maintaining that the other is the victim of an obsolete ideology."²⁵

2.2. Christian Arguments Undermine Democratic Process

Christian arguments, Heyne declares, pollute the democratic process. "The United States," he reminds the reader, "is *not* a Christian society." While the Bible affirms certain imperatives concerning social and economic behavior, these should not be viewed as "arguments for any government policy in our pluralist society." If government policies should happen to produce unforeseen and unfavorable consequences, then such policies

should be evaluated on the basis of nonreligious discourse and inquiry. Invoking the name of God only serves to polarize discourse. "The claim that I am correct because my position is morally superior," Heyne writes, "pollutes public discourse by turning discussions into arguments and arguments into fights."²⁶

The idea that Christianity should play an explicit role in political discussion originated, in Heyne's view, from the mistaken belief that "the Lordship of Christ entails the *legislation* of New Testament principles - suitably modified so that they can be accepted by 'those in a pluralistic society who, while not sharing our religious vision or heritage, voice a common concern for human dignity and human freedom.'" In times past "this fallacious identification of Christianity with Christendom" produced political oppression. "Today it produces "vacuous political pronouncements." "Who," Heyne asks, "is going to listen attentively and accept instruction from a group that begins by positing its own moral superiority?"²⁷

Religious arguments also distract from the issues at hand, diverting attention from the truly important questions to issues which are largely peripheral to the discussion. Many people "will reject a sound argument *because* it has been supported with religious arguments." Others will derive "public policy conclusions on the basis of entirely secular arguments and then use religious arguments to give their conclusions an authority they don't deserve." Still others will "use religious arguments in an attempt to seize the moral high ground and thus to choke off disagreement by pretending that dissent indicates immorality." For these and other reasons, Heyne believes that the public interest would be better if explicit religious arguments were excluded from public policy discussion.²⁸

2.3. Christian Policy Arguments Undermine the Gospel

The third and final reason Heyne is opposed to the use of Christian principles as a guide to public policy is because such effort "obscures the Gospel and diverts Christians from their proper task."²⁹ Influenced by the theological views of John Howard Yoder,

Heyne is adamantly opposed "toward all-encompassing systems that lead Christians to prefer intellectual consistency to a lived out faithfulness."³⁰ Christianity, in his opinion, is a personal religion, a belief system born out of one's faith in Jesus Christ. Socialized versions of Christianity distract from this all important consideration, giving rise to the fallacious view that the Christian's principal focus should be on social redemption. More importantly, such views are premised on the dubious belief that the New Testament provides clear guidance on social policy. This, Heyne argues, is simply not the case. "I believe," he writes, "that we have found the ethical teachings of Jesus 'impossible' largely because we have tried to apply them where they were never meant to apply: to the secular society in which we live."³¹

Heyne also takes issue with those who believe that "the laws of the Pentateuch are binding upon Christians." Christians, he writes "have been called to be the 'new Israel,'" but this does not imply that they are bound by Mosaic laws. The 'new covenant' of the New Testament, he declares, replaced the 'old covenant' of Mosaic laws, "not by abolishing it but by fulfilling it." The old commandments, Heyne goes on to argue, are summarized by the new commandment to 'Love your neighbor as yourself.' "Our neighbors," however, are "not 'everyone' or 'everyone in need of assistance,' but fellow members of the household of faith." The first Letter of Peter, he declares, exhorts Christians to 'honor all men, but *love* the brotherhood.'³²

Social Christianity, according to Heyne, should thus be focused on the body of believers. Christians are called to social service, but this is all together different than imposing "on a recalcitrant world what they take to be God's will."³³ It is far better, he believes, for the social ethos of Christianity to be practiced on a personal and voluntary basis as an example and testimony to the world. "The only effective witness to the secular society," he writes:

is the witness provided by Christian communities: the witness of those who live together as if they were justified by nothing but the grace of God, and

who by that witness invite others to join their community. The world ought to see how we love one another, not how cleverly or forcefully we argue.³⁴

3. Heyne's Critique of Christian Economic Pronouncement

Heyne has written a number of articles criticizing Christian pronouncements on the economy, especially those which misrepresent elements of a modern capitalist economy and advance a social vision which is not feasible under the current economic system. Reflecting many of the problems noted above, Heyne finds such pronouncements to be often riddled with fallacious assumptions, unsystematic and faulty analysis, impractical recommendations, and an unwarranted antagonism towards capitalism. While opposed to the explicit application of Christian arguments to public policy, Heyne, nevertheless, believes that efforts to do so should, at the very least, reflect sound economic analysis, something which he considers lacking in most Christian critiques of "the economy."

3.1. Christian Social Thought and "the economy"

Because the values, attitudes, and practices of capitalism are much different from those espoused in the New Testament, many Christian writers believe that capitalism is fundamentally unjust and that it should be systematically changed to reflect Christian values. It is Heyne's contention, however, that this is simply not possible. The type of economy they are proposing is, in his view, incompatible with a functioning market economy. What they are in fact proposing is the rejection of the modern market economy. Heyne writes:

Most of the religious or theological statements on economic life produced these days, especially those published by so-called 'mainline' church organizations, reveal a fundamental hostility toward, or at least deep suspicion of 'capitalist' institutions and policies. I want to argue in this section that the hostility and suspicion are even more radical than the authors of these statements realize. They are actually rejecting 'the economy.'³⁵

By "the economy," Heyne is referring to the market economy or capitalism. When Christian critics of capitalism reject "the economy" they are also rejecting everything which our modern economic system has provided, and it is this element of their thought which Heyne finds most unsettling. He writes:

I believe that 'capitalism' is simply a pejorative synonym for 'economy,' and that capitalism consequently cannot be rejected without simultaneously repudiating the basis of contemporary life. Christians who want to reject capitalism ought to know what else they are rejecting at the same time: the coordination of complex activities in the only way they can be coordinated. The cost would not be just the loss of some luxuries: it would be famine, disease, and a new dark age as the communities of science, literature, and art disintegrated right along with the institutions that provide our 'necessaries and conveniences.'³⁶

3.2. Differentiating Values from Facts and Ends from Means

At least part of the confusion over what is and is not possible under the current economic systems stems, according to Heyne, from an unwillingness to differentiate values from facts and ends from means. "If values could always be clearly distinguishable from facts and ends from means," he writes, "debates over economic policy would be more productive and less rancorous."³⁷ Such is the problem with the bishops' *Letter* which emphasizes values and ends, with little concern for how such ends are to be realized. "Throughout the *Letter*," Heyne writes:

the language and tone are those of the prophet or preacher, calling people to a reexamination of values, a new and compassionate vision, a lively sense of moral responsibility, a commitment to economic justice, a conversion of heart. Specific policies to implement the moral objectives advocated in the *Letter* are treated as a secondary issue that can be worked out later through reflection and dialogue. The first and hardest task is to determine the direction in which we ought to move.³⁸

Such pronouncements implicitly assume that economic systems have goals. If this is true, then it stands to reason that one of the easiest and most direct ways to change the workings of a modern economy is to change its goals. It is not clear, however, in what

way or to what extent economic systems can actually be said to have goals "A crucial question at the outset," Heyne writes, "is whether social systems - and an economic system is certainly a social system - can appropriately be said to have goals or objectives." While organizations such as trade unions, corporations, or government can be said to have goals, this does not imply that institutions have goals in the same sense that individuals do. Organizations, he goes on to declare, "pursue 'their' goals in a highly indirect way." Many of the activities that contribute to the eventual achievement of the organization's objective such as the purchase of a postage meter have little or nothing to do with moral imperatives. Such imperatives "can even be counterproductive if, by stirring up resentment and anxiety within the organization, they interfere with objective inquiry into its functioning."³⁹

Social systems, he continues, are "vastly more complex than any special-purpose organization." Assume, for example, that upon reading the bishops' *Letter* every American experienced a conversion of heart and consented to reduce the unemployment rate from above seven to below four percent. Would such a conversion in attitude really matter, and, if it did, how would the American populace then proceed to reduce the unemployment rate? "Because the actual unemployment rate," Heyne writes, "is the outcome of a social system rather than anyone's direct goal, it cannot be reduced in the way that we reduce a thermostat setting or the height of a kitchen shelf." He continues:

To bring down the unemployment rate, we would have to induce millions of people to begin behaving differently. But we don't even know who these people are or exactly how we want them to behave. Each particular instance of unemployment counted in the sample data of the Bureau of Labor Statistics is the result of someone's decision to take employment-seeking action during the survey week, but without finding and accepting a job. It is therefore the product of a vast constellation of employment offers and perceived opportunities, which are themselves the ever-shifting product of complex and constantly changing circumstances. To reduce the unemployment rate, we must somehow alter these circumstances so that they yield the different pattern of choices that we ultimately desire.⁴⁰

The realization of a lower unemployment rate is, in short, contingent on a countless number of unrelated choices, a concept which is much different than the universal goodwill advanced by the bishops and others.

3.3. Toward a Personalized Economy

Another misconception identified by Heyne is the belief that "the economy" can somehow be personalized so as to reflect the personal and social side of human relations. Such a view, Heyne suggest, is fraught with misunderstanding. Commenting on this belief he writes:

I suspect that the deepest root of this belief, a belief remarkably immune to either theory or evidence, is the conviction that an impersonal social system is morally unacceptable. I maintain that this is a tragically mistaken prejudice. Impersonal does not mean inhumane, as we sometimes carelessly assume.⁴¹

"Capitalism," Heyne writes in another article, "is ... by definition an impersonal system." This does not mean that all relations are impersonal. Face-to-face associations obviously exist and people do know each other well enough to be concerned about and to care for others. From the stand point of providing and distributing goods, however, capitalism is very impersonal. "It can be described", according to Heyne,

... as a social system in which people do not care about most of those for whom they care. The farmer who feeds me does not even know I exist, and while he wishes me no ill, he does not and cannot care *about* me in any subjective sense. Nonetheless, he cares *for* me, and very effectively, in an objective sense.⁴²

It is Heyne's position that impersonal economic relations are synonymous with a market economy. Everyone who lives in a modern society is dependent upon the actions of countless people who they will never know or have an opportunity to meet. These people, he exclaims, "help us to fulfill our aims in life not because they know or care what happens to us, but because this enables them to fulfill their own aims most effectively."⁴³

It is their own interest that they seek to serve, and it is only because they perceive an expected net advantages from engaging in such activities that exchange takes place. Such is the nature of modern capitalism and there is little that can be done about this particular characteristic apart from a total transformation in the economic order.

What then do Christian reformers mean when they talk about the depersonalization of capitalism? Are they implying that capitalism should be reformed so as replace depersonalized relations with personal relations, and, if so, how? It is Heyne's belief that those who hold to such views have failed to grasp the full dimension of such questions. Surely they are not recommending that capitalism be replaced by some other form of economic organization, yet this is precisely what is entailed by a repersonalization of economic relations. Heyne writes:

Those who would like to force all social transactions into the personal mode do not realize how much of what they now take for granted would become wholly impossible in the world of their ideals.... They are probably assuming that we can somehow render 'the economy' morally acceptable without destroying it or giving up anything of human importance that it has created for us. I would hope that this is so. But I am certain that it cannot be done along the lines suggested by so many contemporary moral and religious critics of 'the economy.'⁴⁴

"Economic criteria, which is to say the criteria appropriate to the functioning of 'the economy,'" he posits elsewhere, "are abandoned whenever decision makers substitute 'personalized' criteria for monetary advantage."⁴⁵

Heyne also considers efforts to repersonalize the economy to be contrary to the gospel of Christian love. If Christian love, he writes, requires "that we cooperate, through an extensive division of labor, in producing for one another food, clothing, shelter, medical care, prayer books, kneeling cushions, and other such material goods - then love requires that we interact extensively with one another on the basis of impersonal, monetary criteria." If man were omniscient, he goes on to argue, then it would be possible to meet the needs of others in a direct and personal way. Such is not the case, however, and "it is

irresponsible... to argue on behalf of a moral vision that denies our humanity by insisting that we be gods." Since man cannot transcend his human condition, it is better in Heyne's words "to cherish 'the economy' and to nurture the conditions that are prerequisites for its successful functioning." This, he asserts, comes much closer to the ethos of Christian love.⁴⁶

3.4. Information and Economic Coordination

Religious critics of "the economy" also neglect or fail to understand the importance of information and economic coordination. By assuming that the goals of a modern economy can somehow be redirected through a change in the attitudes of its participants, proponents of a more Christian like economic order are implicitly assuming that such participants have sufficient information to effectively accomplish this objective. Heyne, however, argues that such a view assumes a level of understanding and knowledge which simply does not exist. "A satisfactory theory of economic justice," he writes, "must recognize not only the importance of honoring commitments, but also the crucial relationship between the size of the society and the kinds of promises that can be made and fulfilled within it." He continues:

There is simply no way for even one hundred people, much less 225 million, to acquire the knowledge that would be required in order to assign tasks on the basis of ability and benefits on the basis of need. We don't have to raise the question of whether people would be *willing* to make and keep such promises to one another. Incentive is a necessary but not a sufficient condition. Information is also necessary. This point is important because religious discussions of economic justice tend to focus on the incentive issue and to overlook the problem of information. They thereby hold out the false hope that a "change of heart" would enable us to get rid of capitalism, or at least of certain features of capitalism that they find morally objectionable.⁴⁷

If the information problem imposes a limit on economic management, then why do religious critics of "the economy" look to such measures as a way of reforming the system. While Heyne can only speculate as to their motives, he believes that religious critics of

capitalism generally fail to appreciate the coordinating and cooperative element associated with economic exchange and how such coordination helps to circumvent the information problem. Commenting, for example, on how the Catholic bishops have overlooked this important principle, he writes:

Thus the bishops believe that 'economic freedom, personal initiative and the free market,' though 'deservedly esteemed in our society,' are at odds with the 'inescapably social and political nature of the economy.' They see only the individualistic aspect of market activity, but never its cooperative and coordinative side.⁴⁸

Because markets are looked upon as a disjointed, undisciplined, and almost chaotic system of economic organization, economic planning is viewed as the only solution to economic injustice. Heyne writes:

Since markets don't coordinate, by their assumptions, it is essential that 'society make provision for overall planning in the economic domain' (quoting Pope John Paul II). What this means is that '*all actors of society, including government, must actively and positively cooperate in forming national economic policies.*'⁴⁹

The bishops are well aware "that the mere mention of the notion of economic planning is likely to produce a violent allergic reaction in U.S." This may be true, Heyne declares, but it is also true that their discussion of economic planning is likely to evoke an equally violent reaction among those who have grown tired of hearing that capitalism is an 'unplanned economy.' "The *Letter*," he concludes, "reveals no understanding at all of what effective economic planning requires or of how the U.S. economy is in fact coordinated."⁵⁰

3.5. Choice, Self-Interest, and Selfishness

Liberal Christian commentators on the economy also tend to ignore the important role of choice and self-interest in economic decision making. Commenting, once again, on the bishops' *Letter*, Heyne writes, "The bishops appear to be unclear in their own minds

about the role of choices and intentions in an economic system." They refuse, for example, to acknowledge that the "choices of unemployed or poor people contribute in any significant way to their status," while all the while maintaining that "poverty and unemployment are the result of 'individual and group selfishness,' 'the sins of indifference and greed,' embedded in institutions as well as human hearts." "The truth," he claims, "is that people do choose whether or not to enter the labor force and whether or not to accept particular employment offers."⁵¹

As an example, Heyne contrasts the unemployment rate in 1953 with that of September 1984. In 1953, the unemployment rate stood at 2.9 percent, in 1984 at 7.4 percent. In 1953, however, 57.1 percent of the labor force was employed, whereas in 1984 the percentage of people employed was 59.5 percent.⁵² The decision as to whether or not to seek employment had an obvious effect on the unemployment rate during both periods, and it is this type of information the bishops chose to ignore in their critique of the American economy. As to why, Heyne writes:

The *Letter* ignores all this, and the explanation isn't hard to find. The bishops want poverty and unemployment to be moral problems for those who are wealthy and powerful and they want to avoid 'blaming the victim' through any suggestion that poor or unemployed people are responsible for their own condition. ... the 'marginalized' are described as those who have 'no voice and no choice,' ...⁵³

Heyne is not suggesting that the poor and unemployed are solely responsible for their own plight. All too often the choices available to those least able to provide for themselves are quite limited and not at all pleasant. Yet, it does not follow that individual decision making should be removed from economic discussion simply because some people face severely limited opportunities. "It ought to be possible," Heyne declares, "to talk about the choices that 'marginalized' people make without implying that they have good choices, that they are solely or even primarily responsible for their plight, or that nothing should be done by the government to help them."⁵⁴ Heyne is not optimistic, however, that

even this very modest suggestion will meet with success. Commenting on the unwillingness of the bishops to consider the role of choices in economic outcomes, he writes:

If this is indeed only a first draft, then we can still hope that the *Letter* will eventually incorporate something from the best book on these problems to appear in the United States in many years: *How We Live: An Economic Perspective on Americans from Birth to Death*, by Victor R. Fuchs. We cannot hope for this with a great deal of confidence, however. Fuchs employs "the economic perspective," which sees social reality as the product of constrained choices, and the bishops reject this approach to the issues. We have here a prime example of how moral concerns can distort social analysis.⁵⁵

Since moral concerns dictate social analysis and economic systems are perceived as having goals, religious critics of capitalism, such as the Catholic bishops, are implicitly asserting that economic justice is a matter of intention, to be measured by results. The difficulty with this approach, according to Heyne, is that most economic results are seldom intended. "The results that emerge," he exclaims, "are not the results that were intended by the people who produced them."⁵⁶

It was Adam Smith, Heyne declares, who first noted the peculiar, yet largely beneficial, role played by self-seeking individuals as they pursue their own self-interest. Commenting on the Smithian view of economic self-interest, he writes: "It is not from the benevolence of the butcher, brewer, or baker, Smith says, but from their self-love, their regard to their own advantage, that we expect our dinner."⁵⁷ "Smith," Heyne goes on to write, "had a high regard for benevolence, as his *Theory of Moral Sentiments* abundantly demonstrates." "But," he adds, "[Smith] knew that benevolence was a virtue too vague and uncertain to guide and coordinate the cooperative activities of a society that depended extensively upon the division of labor." Heyne continues:

Benevolence doesn't make people punctual and punctilious. Even a beggar, Smith shrewdly observes, does not rely upon benevolence to satisfy his daily wants, but only in order to obtain the means with which to satisfy those wants. A complex social system such as a modern economy requires

conscientious attention to tedious details, discipline rather than spontaneity, and people who play their parts when, where, and how the system requires.⁵⁸

If Smith is right, then it is self-interest rather than benevolence which provides for our economic needs. But if this is so, then why is there so much animosity directed against individual initiative? "The pursuit of one's net advantage," Heyne writes, "is not a synonym for greed, selfishness, or materialism." Commenting on this crucial distinction, he writes:

All purposeful human action is self-interested, in the crucial sense that it aims at goals accepted by the individual, using means evaluated by the individual. Greed or selfishness, by contrast, is a matter of claiming for the self more than is due. I would want to describe greed or selfishness in terms of a failure to fulfill obligations, and hence as injustice. But the point here is that greed is about as common under capitalism as it is under any other kind of political system, but no *more* common.⁵⁹

By equating self-interest with selfishness and profit with greed, the bishops and other religious critics of "the economy" have failed to distinguish between honorable and economically beneficial behavior from dishonorable and destructive behavior.

3.5. The Role of Rules

Religious critics of "the economy" also overlook or even denigrate the role of rules in a modern economic system. Yet, it is rules, Heyne asserts, which make life as we know it possible. Rules provide economic participants with a clearly defined notion of what constitutes proper and just behavior. In the absence of such rules, complex economic relations would be all but impossible, even rudimentary exchange would be problematic.

As an example, Heyne points to the rather trivial example of a bus driver who must decide whether or not to wait for a tardy passenger running to catch the bus? While many people would commend the bus driver for waiting, it is Heyne's contention that the only socially acceptable course of action is not to wait. By waiting, the bus driver imposes cost on other passengers, perhaps causing some passengers who are on time for the bus to be

late for some other appointment. But even if this is not true, the bus driver is under no moral compulsion to wait. Social morality, in fact, requires just the opposite: by not waiting the bus driver is affirming and lending support to those rules which allow a market economy to function in a coherent and productive way. If the bus driver chooses to wait, he is not only transferring costs from those who abide by the rules to those who do not, but is undermining the very rules which allow society to function in a comprehensible and just way.⁶⁰

What if the person who is late had a legitimate reason. "Suppose," Heyne writes, "he had been up most of the night tending a sick child, and now must catch this bus in order to keep a counseling appointment with a distraught alcoholic who's is contemplating suicide."⁶¹ Would this alter the situation? Would the bus driver now be under moral compulsion to wait for the tardy passenger? The answer, according to Heyne, would still be no. If the bus driver was omniscient and knew that the passenger was tending a sick child and was in the process of counseling a potentially suicidal alcoholic, then, yes, he would be under moral compulsion to stop. But the bus driver is, of course, not omniscient and has no way of knowing which passengers are late for legitimate reasons and which are not. Given this lack of information, the only proper course of action, Heyne concludes, is to abide by those rules deemed to be in the social interest.

Heyne relies upon the foregoing story to stress what he considers to be a fundamental economic truth: rules serve a legitimate economic function. By simplifying inherently complex and otherwise non-uniform economic relations, they allow market participants to coordinate their activities in the presence of imperfect information. Rules, in short, provide a measure of predictability to the economic system. It is this consideration, however, that religious critics seem to ignore when pronouncing moral judgment on "the economy." Heyne writes:

Thinking through this trivial example helps us see why it will often be more ethical, more socially responsible, and even more humane to 'go by

the rules' than to violate the rules in order to serve the known interests of particular people. We have been conditioned to believe that it is morally wrong to adhere to rules in circumstances where we believe our doing so will harm particular people. We are not used to thinking about broader consequences for others, or the long-term consequences for the system in which we're participating. Not only do bus drivers make punctual passengers late when they choose to violate the rules; they also begin to change the relative costs and benefits of adhering to the rules, which means that the rules start to break down. We would probably be less sanguine about this consequence if we more fully appreciated the extent of our dependence upon rule-coordinated social cooperation."⁶²

A more satisfactory definition of justice, Heyne exclaims, would be premised on "*the fulfillment of legitimate expectations*," and this through a predictable system of rules. "Injustice is done," he writes, "when someone's legitimate expectations are not fulfilled because others broke their promises." He continues:

Now it seems clear that if we make promises or otherwise create expectations that we cannot subsequently fulfill, we inflict harm on others. It is not true that they are neither better nor worse off as a result of our promising but not delivering; they are worse off. People build upon their expectations, and when those expectations turn out to be illusory, the structures erected on them collapse. This is a psychological and an economic truth. In both the realm of feeling and the realm of action, we make investments on the basis of our expectations.⁶³

"Some expectations," Heyne concludes, "are bound to prove mistaken in a world characterized by uncertainty,"⁶⁴ and these should not be looked upon as a form of injustice. Injustice, nevertheless, occurs when people's expectations are thwarted by the failure of others to fulfill their promises.

3.6. Stewardship

Heyne also takes a critical view of recent interpretations of the Christian concept of stewardship. While acknowledging that Christians have a personal responsibility to be stewards over God's creation, he does not believe that government or any other organizational entity is called to manage the economy, nor does he believe that Christianity

mandates or should even encourage the type of grassroots activism which has become popular in some Christian circles. Both views, according to Heyne, are commonly tied to policies which are extrinsic to both the writings and intent of the New Testament.

Part of the confusion, Heyne suggests, can be traced to the 17th century King James version of the Bible wherein two entirely different Greek words, *epitropos* and *oikonomos* are translated into the English word stewardship. *Epitropos*, is defined by Heyne as a "person to whose care or guardianship something has been turned over, the custodian of what actually belongs to someone else," and *oikonomos* as "literally the manager of a household or estate." While acknowledging that Christians are *epitropoi*, "custodians of the resources that God has entrusted to us," and *oikonomoi*, "good managers of the household under our care," Heyne believes that care must be taken so as not to interpret these two words as meaning economic management.⁶⁵

This is the position he takes in a recent review of *Earthkeeping in the Nineties*, a book edited by Loren Wilkenson and sponsored by the Fellows of the Calvin Center for Christian Scholarship. The book which Heyne describes as being "well informed, reasonable and balanced in its judgment, superbly written, and graced with a large number of delightful cartoons,"⁶⁶ falls short in the one area in which it is most concerned, a Christian approach to stewardship. The problem originates with the authors definition of economics. It is not, as they suggest, simply an extension of household management as defined by the Greek word *oikonomia* (economy) to political and economic affairs. While the term political economy was employed by economic writers during the 18th century to describe political or economic management by the state, the definition went through a dramatic transformation with Smith's writing of the *Wealth of Nations*. Smith, Heyne reminds the reader, was quite critical of economic management, and the term political economy became almost synonymous with economic exchange due to his influence. Commenting on how modern economics has little to do with economizing and much to do with exchange,

Heyne writes:

We need not inquire further into the confusions that caused the term 'political economy' (and later 'economics') to be applied to the science founded by a man who was in reality attacking the notion that a whole society could be managed in the manner of a household. The key point is that the modern science of economics is not about economizing, but about exchange. Economics does assume that individuals economize, and sometimes the introductory textbooks will harass innocent students mercilessly with formal techniques for explicating the logic of the economizing process. But almost everything important that economics has to say about the operation of economic systems has to do not with managing but with the process of exchange. The core of economics is 'supply and demand,' which is a way of thinking about exchange, not about economical management.⁶⁷

Those who view economics as being primarily concerned with economic management, such as the writers of *Earthkeeping*, fail to appreciate how immensely complex the economy is and how its very nature renders many if not most types of economic intervention ineffective. "The problem," Heyne writes, "is that we live in a complex, decentralized, highly specialized society that no one controls or can control." He continues:

What we call our 'economy' is not at all analogous to a household or anything else that could possibly be 'managed.' Each of us can influence the economy, though almost always in ways too trivial even to be noticed outside a very small circle.... A modern industrial society, characterized as it is by extensive and minute division of labor, is a social system far too complex to be managed by any *oikonomos* not endowed with godlike powers. None of this seems to have been noticed by the authors of *Earthkeeping in the Nineties* or by any of the considerable number of other writers who have attempted in recent years to organize their thoughts about the Christian faith and ecology around the concept of stewardship.⁶⁸

Nor is it true, Heyne continues, that economic and social renewal can be accomplished through a change in public attitudes. Those who hold to this view fail, in his words, to "understand the origins and dynamics of social or environmental problems."⁶⁹ Problems of this type are the unintended result of many individuals pursuing their own self-interest in accordance with the rules laid down by society. They are not, as some

might imagine, the product of consciously selfish or reckless behavior, nor are they conducive to cajoled or mandated changes in such behavior.

As an example, Heyne points to "everyone's favorite worst case, Los Angeles."⁷⁰ Even if one concedes that the automobile culture has greatly diminished the quality of life for those who live in Los Angeles, it is not clear who or what is responsible for this culture and its consequences. The French Christian social commentator Jacques Ellul, for example, points to technology as the culprit; the writers of *Earthkeeping in the Nineties* look to "human pride, sinfulness, and rebellion" as the source.⁷¹ Heyne, however, rejects both views, arguing instead that social and environmental problems largely stem from the behavior of well-meaning individuals. A confluence of factors including personal preference, self-interest, social and economic rules of conduct, and limited and localized information all combine to engender a series of outcomes that no one anticipated, much less controls. Heyne writes:

Should we hold technology or human sin responsible for this disaster. The best answer is, neither of the above. It could have all come about, and did in fact largely come about, through the interplay of individual choices that cannot really be faulted. Individuals made numerous decisions that were both rational and moral, and unintentionally produced an unacceptable outcome. Put another way: each individual behaved in the manner of a good *oikonomos* and all together produced a mess.⁷²

"Suppose," Heyne continues, "that every inhabitant of Los Angeles was miraculously converted overnight to the world view of St. Francis of Assisi." Would this improve the situation? Heyne thinks not. While it is true that "we would no doubt see major changes in the behavior of Los Angelenos," it does not follow that we would see a reduction in automobile air pollution. The newly enlightened Los Angeleno will still need to use his car to earn an income sufficient to help others, to maximize the use of his time, and to carry out the good works associated with "getting food to the hungry, drink to the thirsty, and clothing to the naked, for visiting those sick or in prison." To do otherwise is simply

"bad stewardship."⁷³ But what if the newly converted citizens of Los Angeles could accomplish these task by driving less than before. Would not such a change contribute to a net improvement in living conditions? Once again Heyne is less than optimistic. Such behavior, he contends, would only give others, with much less noble intentions, a reason to move to Los Angeles, undoing what had been accomplished by those who decided to drive less. Commenting on how collective moral action, in this case, would fail to produce the desired outcome, he writes:

It will not do to respond by saying that 'every little bit helps,' because in situations such as this it really does not help and may even hurt.... One reason the miraculous conversion of everyone in Los Angeles would not solve the problem of automobile pollution in the city is that if all the converted did stop driving, they would thereby make it more attractive for the unconverted to drive into Los Angeles and even to move there. As long as driving one's own automobile is perceived as the most effective way to accomplish one's purposes, automobile traffic will tend to expand in urban areas, until the congestion that it creates makes driving no longer the most attractive option.⁷⁴

The only solution, Heyne declares, is to change the incentives governing economic conduct. "The way we use resources," he writes, "is determined by the interactions of individuals who are pursuing the projects that interest them, in response to their perceptions of the relative costs and benefits of alternative choices, and in accord with the established 'rules of the game.'" Relative prices, he goes on to declare, are the critical information which allows such adjustments to be made, coordinating a vast range of seemingly unrelated economic decisions. "Order and cooperation," he concludes, "usually emerge from what looks at first like a prescription for chaos."⁷⁵ If prevailing prices fail to engender the desired outcome, it may be necessary to change the rules which govern economic relationships. This is easier said than done. "A change in the rules," Heyne writes, "will almost certainly affect some people aversively, and they may resist. Moreover, we often cannot know in advance precisely what changes are necessary to produce the improvements we

want."⁷⁶ Despite such obstacle, price signals, according to Heyne, provide the only effective means to alter individual choices and economic outcomes. In defense of this position, he writes:

... this is the direction in which we must move. We will almost certainly fail to achieve our objectives if we simply ask people to become 'better stewards.' No one knows what 'stewardship of creation' implies for his or her own actions. Exhortations to change our lifestyles just do not give us sufficient information. Changes in the way we live will entail costs as well as benefits; to avoid much ado about very little, a good steward must be able to predict in some reasonable manner the benefits and the costs of the many lifestyle changes that are possible. A good manager, after all, does not make arbitrary or capricious decisions, the art of good management is the art of comparing costs and benefits.⁷⁷

One might conclude from this that Heyne sees no place for values in economic science. This, however, is not the case. "Values," he exclaims, "do matter." Social consciousness is a necessary condition if we are to adapt to "sustainable and otherwise more acceptable patterns of living."⁷⁸ The authors of *Earthkeeping in the Nineties* and others are to be commended for recognizing this fact and informing others as to the necessity of good social and environmental conduct. Raised consciousness, however, represents only part of the solution. When "good economizing by individuals is producing bad collective consequences," what is needed are "social institutions that generate more appropriate specific incentives." This, Heyne declares, "has very little to do with religion or morality," involving instead the usual political gamesmanship that accompany changes in the social and economic rules. Such changes will be challenged by those who benefit from the status quo, and religious or moral arguments will do little to counter such opposition. Other reasons will have to be found, and while religious proponents may object to the use of secular arguments, this is what we as Christians must do if we hope to a better job of earthkeeping. "Theology," Heyne concludes, "will be of much less help in meeting these challenges than we are inclined to suppose."⁷⁹

3.7. Christianity and the Role of Government

Government, according to Heyne, plays a very important yet dubious role in Christian social thought. "Government," he writes, "is fundamentally a coercive institution."⁸⁰ It has immense powers and for better or worst can be used to attain social or economic objectives which cannot otherwise be attained in its absence. Voluntary actions and personal sacrifice by comparison are slow and ponderous, accomplishing much less over a longer period of time. Religious proponents of social and economic reform are aware of this and have concentrated their efforts on the one area where it is likely to have the greatest impact, governmental policy. "This," Heyne writes, "is an appropriate emphasis for those who are determined to redirect the course of social events."⁸¹

While co-opting the reigns of government is perfectly sensible from a purely political standpoint, Heyne is not at all convinced that such efforts can be supported on theological grounds. "The New Testament, he writes, "provides no agenda for government." He continues:

On the contrary, it suggests to the faithful that they ought to depend very little on government. The deep suspicion of government found in so many of the radical Christian sects and the determination to have as little as possible to do with it are far closer in spirit to the gospel than are the persistent efforts of church officials since Constantine to gain control of government for their own ends.⁸²

Christians are called to live by faith, taking actions and assuming risk that others may regard as reckless or foolish. But faith, Heyne declares, is fundamentally personal. It has little to do with efforts to change or rearrange society.

In addition to theological considerations, Heyne cites a number of practical reasons why government should not be looked upon as an instrument for the advancement of Christian social policy. Policies promoted on moral grounds are often poorly devised and executed, harming those very people they are designed to help. Consider the bishops' recommendation that government provide more generous welfare benefits with fewer

conditions. "The impression given repeatedly by the sections on welfare reform," Heyne writes, "is that the bishops are standing resolutely in the year 1964, urging that we begin the War on Poverty." He continues:

Has no one called their attention to the abundance of data now available on the actual effects over the last twenty years of the various policies that the bishops recommend as if for the first time?⁸³

"Those who claim to be speaking on behalf of the poor and the oppressed," he later writes, "have an obligation to be competent social analysts when they are proposing policies for government."⁸⁴

Proponents of government activism also have a tendency to misunderstand the workings of government, overestimating its power to do good and underestimating its limitations. Even if one were to acknowledge that government has a moral responsibility to achieve economic justice, a dubious assumption according to Heyne, government policies must still be effective, or in his words, "genuine, realistic, and not in themselves unjust."⁸⁵ Too many advocates of government intervention ignore such considerations, failing to understand or acknowledge that government and especially the legislative process is motivated by a multitude of conflicting and often counterproductive considerations.

Legislators, according to Heyne, often make electoral promises "when they have no intention of enacting the enabling legislation which would impose the requisite costs on the public." They also have a tendency to be biased, placing undue trust in untested and poorly conceived legislation. "It is not in their interest," he writes, "to recognize, much less to admit, that a bill which offers electoral gains to those who support it cannot in fact achieve its stated purposes." Special interest politics is especially egregious: securing "economic justice for its beneficiaries, while ignoring the injustices that this legislation will impose on others." Rather than being an instrument for the social good, democratic government, Heyne declares, often degenerates into little more than a political shell game, securing economic advantage for one group by imposing costs on another.⁸⁶

Government, Heyne declares, provides no sure remedy for the social and economic problems faced by society. Those churchmen who look to government for a solution to society's ills often fail to understand its inherent limits, preferring instead to think of economic justice as a pattern of outcomes and government as the means to effect such ends. This emphasis on ends rather than means is further compounded by a dearth of quality of analysis, typified by politically appealing but vacuous slogans and an absence of a "coherent, applicable, and defensible definition of a just pattern of outcomes."⁸⁷ While a reliance on government as an instrument for social change is clearly understandable, such efforts are not without costs. It is this consideration that Christian critics choose to ignore as they call upon government to right the wrongs of society.

4. Conclusion

It is Heyne's contention that Christian principles distract from rather than enhance our knowledge of economics. A proponent of the methodological position first advanced by Milton Friedman some forty years ago, Heyne does not look upon assumptions as being terribly important to economic analysis. What is important, he argues, is the quality of the analysis. Christian and secular writers hold surprisingly similar views on many issues. Where they differ is in the type analysis they use, and it here that Christian social commentators falter. By relying on Christian assumptions, Christian economists are refocusing the discussion away from sound analytical reasoning toward normatively premised outcomes. They are, in Heyne's view, diminishing the power of their analysis. Efforts to integrate Christianity and economics, for this reason, add little to our knowledge of either subject while distracting from the more important elements of both.

Heyne is also critical of well-intended but poorly thought-out, Christian pronouncements on "the economy." What such writers often fail to understand is that the economic and social ends they aim to achieve are seldom attainable through the measures they prescribe. Many of the objectives set forth by such writers such as a repersonalized

and benevolent economy are, in Heyne's estimation, simply not possible under the current economic regime. Efforts to accomplish such ends reveal a fundamental lack of understanding, contribute little in the way of meaningful discourse, and distract from other more relevant problems. Christian critics of the economy should concentrate less on making moral pronouncements and more on advancing sound economic judgment.

At a more fundamental level, Heyne views the current discussion on Christianity and economics to be something of a chimera. Many of the issues raised - including the role of government, social relations, self-interest, economic power, exploitation, etc. - were first broached during the 18th and 19th centuries in response to evolving social and economic conditions. "It is the Enlightenment, not the Gospels," writes Heyne, "that provides the 'theological' framework for the debate that [has been] initiated." When the Bible does address issues bearing on social and economic behavior it does so in the context of personal obedience, not as a blueprint for social or economic reorganization. More could be accomplished, Heyne concludes, "if all parties stopped claiming that the battle is between God and the devil and admitted frankly that we are contrasting the social visions of such mere mortals as Adam Smith and Karl Marx."⁸⁸

Footnotes

- 1 Quoted from an unpublished philosophical statement prepared by Paul Heyne. January, 1994.
- 2 Paul Heyne. "Curriculum Vitae." unpublished. January, 1994.
- 3 Heyne, Paul. "Passing Judgement." Remarks prepared for presentation at a workshop sponsored by Gordon College Department of Economics for the Association of Christian Economists. January 1, 1994. p. 2.
- 4 *ibid.* p. 1.
- 5 Heyne, Paul. "Christianity and 'the Economy'." *This World*. Winter, 1988. p. 26.
- 6 *ibid.* p. 26.
- 7 *ibid.* p. 28.
- 8 *ibid.* p. 36.
- 9 *ibid.* p. 36.
- 10 *ibid.* p. 36.
- 11 *ibid.* p. 37.
- 12 *ibid.* p. 37.
- 13 *ibid.* pp. 27-28.
- 14 *ibid.* p. 28.
- 15 *ibid.* p. 27.
- 16 *ibid.* p. 27.
- 17 Heyne, Paul. "Controlling Stories: On the Mutual Influence of Religious Narratives and Economic Explanations." Paper prepared for session sponsored by the Southern Economic Association on "The Influence of Religion on Economics (and Vice Versa)." November 18, 1990. p. 9.
- 18 *ibid.* p. 10.
- 19 *ibid.* p. 11.
- 20 *ibid.* pp. 7-8.
- 21 *ibid.* pp. 7-8.
- 22 *ibid.* p. 9.
- 23 *ibid.* p. 9.
- 24 *ibid.* p. 9.
- 25 Heyne, Paul. *The Catholic Bishops and the Pursuit of Justice*. Washington, D.C.: The Cato Institute, 1992. p. 2.
- 26 *op cit.* "Controlling Stories." p. 13.
- 27 *op cit.* "Christianity and 'the Economy'." pp. 28-29.
- 28 *op cit.* "Passing Judgement." p. 3.
- 29 *ibid.* p. 3.
- 30 *op cit.* "Controlling Stories." p. 12.
- 31 *op cit.* "Passing Judgement." p. 4.
- 32 *ibid.* p. 4.
- 33 *ibid.* p. 4.
- 34 *ibid.* p. 4.
- 35 *op cit.* "Christianity and 'the Economy'." p. 29.
- 36 *ibid.* p. 38.
- 37 *op cit.* *The Catholic Bishops and the Pursuit of Justice*. p. 1.
- 38 *ibid.* p. 1.
- 39 *ibid.* p. 3.
- 40 *ibid.* pp. 5-6.
- 41 Heyne, Paul. "The Concept of Economic Justice in Religious Discussion." In Walter Block, Geoffrey Brennan and Kenneth G. Elzinga (Eds.), *Morality of the Market: Religious and Economic Perspectives*. Vancouver: The Fraser Institute, 1985. pp. 477-478.
- 42 *ibid.* p. 477.
- 43 *ibid.* p. 477.

- 44 op cit.. "Christianity and 'the Economy'." p. 32.
- 45 *ibid.* p. 31.
- 46 *ibid.* pp. 32-33.
- 47 op cit.. "The Concept of Economic Justice in Religious Discussion." pp. 475-476.
- 48 op cit.. *The Catholic Bishops and the Pursuit of Justice*, p. 8.
- 49 *ibid.* pp 8-9.
- 50 *ibid.* p. 9.
- 51 *ibid.* p. 4.
- 52 *ibid.* p. 5.
- 53 *ibid.* p. 5.
- 54 *ibid.* p. 5.
- 55 *ibid.* pp. 5-6.
- 56 *ibid.* p. 9.
- 57 *ibid.* p. 10.
- 58 *ibid.* p. 10. Ê
- 59 op cit.. "The Concept of Economic Justice in Religious Discussion." p. 476.
- 60 *ibid.* pp. 470-471.
- 61 *ibid.* p. 471.
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- 63 *ibid.* p. 475.
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Arnold McKee

1. Introduction

Arnold McKee was born in New Zealand in 1925. He received his B.A. and M.A. degrees from the University of New Zealand in 1948 and 1950, and his Ph.D. in economics at the University of Paris in 1953. During the 1950s, he held various university appointments in New Zealand, the United States, France, and the United Kingdom. From 1961-1971, he taught and served as department chairman at Lurentian University, Sudbury, Ontario. From 1971 until his retirement in 1991, he held appointments as economic professor, principal, and dean at King's College, London, Ontario. As a Catholic economist, McKee has published various articles dating from the 1950's on the issue of Christian social thought and the economy. In 1987, he published *Economics and the Christian Mind*, a work which relates long-standing Christian social principles to the modern economy and the science of economics.

2. The World at Risk

In his book *Economics and the Christian Mind*, Arnold McKee invokes the image of an impending world crisis. "There is a good deal of evidence," he writes:

that Western society has entered on a decline reaching to the foundations of its life and culture. Our social, political, and economic institutions all show decay; decline of the family, sexual liberties, widespread contempt for law, distress of cities, decadence of democratic governments, decline of the work ethic, exhaustion of resources, high inflation, and insoluble unemployment - these are a few of the pessimistic themes developed in contemporary writing. Too, art, music, and literature seem given over to expressing the ugliness and conflicts of modern life. While one must be cautious with morbid analysis of this kind, especially if one no longer has the energy and optimism of youth, there is a widespread belief that Western civilization and its offshoots in different parts of the world risk disintegration, just as past civilizations have ended...¹

The causes of the crisis are many - "the legacy of two world wars, materialism and urbanization, falling population growth, quarrels over distribution, et cetera" - but at its source, the problem comes down to a lack of faith and values. Throughout much of history Christianity has served as a source of inspiration and social guidance to Western civilization, providing the foundational basis upon which institutions and human endeavor have flourished. This, however, is no longer the case, and with this change the institutional structures and social belief system upon which civilization is founded are in danger of losing their moorings.²

McKee attributes this development to the secularized mind set which has gradually displaced Judeo-Christian belief systems throughout Western society. Commenting on the nature and consequences of secular humanism, McKee writes:

Today, secular humanism broadly denotes a code of values reflecting realization of all the potentialities of men and women, setting aside in particular the restraints of religion and any arbitrary power and regime. It allies itself with statements of human rights and affirms liberty of thought, expression, and action: it normally calls for their responsible exercise within the framework of some social contract, since group living must restrict absolute liberty; it welcomes progress and education, to reduce the ignorance that inhibits freedom and self-realization; it rejects in the overcoming of disease and improving of social conditions and it usually rejects supernatural doctrines and supposed intervention in favor of rationalism and science. ... As a doctrine it must depend finally on a secular faith and undemonstrable premises concerning the goodness of human actions and rights.³

It is not that the current human-centered system of laws, economic relations, political order, and freedoms are without merit. Much has been accomplished through such developments. The problem, however, is that the very functioning of this structure has from the time of antiquity been premised on an underlying Christian understanding of justice, rights, morality, and duty. "But now the framework itself and the foundations of faith and values are to all appearances dissolving, at least for a majority of the population concerned."⁴

Modern science is, of course, not exonerated from the current malaise. Premised on a positivist view of reality, science has up until recently systematically excluded all knowledge which cannot be substantiated through empirical investigation or collaborated through common experience. "Examples are familiar: "

A psychologist may tell us that the believer only persuades himself there is a God Who listens to his prayers and watches over his needs, his acquiescence in the Will of God enabling him to interpret everything as divinely intended for his good. The exultation of the devout, singly or in groups, is merely a type of hysteria and religious ecstasy is self-hypnosis. The only reality is the psychic phenomena and there is no need to introduce so-called divine inspiration and grace.⁵

Such thinking has had the unintended consequence of placing religious knowledge and understanding clearly outside the purview of academic inquiry - to languish in the backwaters, unworthy of any serious effort to integrate the two. McKee writes:

Positivism in science may as an attitude be traced to (at least) the first Renaissance thinkers who confronted the physical universe as phenomena to be understood in themselves, for their own sake, in contradistinction to the religious mind, which would instinctively interpret physical phenomena as the handiwork of God pointing to His designs. Of course, the first researchers of physical science often combined religious faith and practice with their work, with this petering out by the nineteenth century. By the middle of the twentieth, a divorce between the worlds of science and religion became normal, while a new breed of "cosmologists": sought to elaborate explanations for all world reality from the point of view of science.⁶

This development, however, is not without consequence undermining the good God intended for this world by way of faith, reason, and intellect, and apart from an integral approach combining elements of all three considerations, science is without purpose or objective. "As in the case of humanism, science without God ends in barrenness."⁷ If it were simply a case of secular science accomplishing its task in juxtaposition with a Christian approach, the situation would at least be tolerable. But this is not case, positivism has had the effect of diminishing the role of faith and grace in intellectual inquiry and

contributing to an outright hostility towards Christian ethical and behavior ideals. Apart from such ideals, however, both science and the secularized objectives and purpose which gives its meaning are doomed to failure. "Mankind without God, McKee writes, "vanishes ingloriously one by one, leaving only dust."⁸

Such concern is evidenced by the "the clash between Christian thought and parts of economic science, a matter readily agreed to by many Christian economists." Exhibiting a markedly positivist view of reality, economic science, in McKee's words, "pretends to leave values aside and gives attention simply to the 'facts.'" In principle, the positive/normative distinction associated with this view of economics allows for the identification and realization of ethical and religious objectives. "In practice, such an ostensibly a-religious approach turns out to be anti-religious, since values affect the foundations of economic propositions, give them direction, and assist their reasoning."⁹ What remains is an amoral view of society and human endeavor, a world view which only adds to the perilous slide towards social disintegration and moral nihilism.

Economic science as so formulated "has presumed certain values and institutions to be in place, such as consumer freedom, self-interest, private property, rationality in choice, search for optimal gain and satisfaction, et cetera." From these, consumer, producer, investor, and governmental behavior has been posited, sophisticated theoretical constructions developed, and an impressive amount of statistical information gathered and evaluated. "But," as McKee writes, "these supposedly solid institutions repose in fact on a certain acquiescence and faith on the part of society, now so weakened as to call them into question." He goes on to write:

While most continue to support the institutions and values concerned, they function so poorly in practice that deep dissatisfaction with the private enterprise system has developed. Many even conclude that an immensely sophisticated economic science, especially its theoretical presentation in texts and monographs, is increasingly irrelevant to modern society. There is a sort of self-sustaining domain of inquiry where specialists talk to one

another, quite simply apart from our actual world, threatened by social breakdown and nuclear destruction.¹⁰

In recent years, the physical sciences have been chastened by a realization that empirically premised knowledge can only provide a partial explanation of truth. "There has been some shift," McKee writes, "at least at the working face of science, to confirmation in terms of logical coherence rather than objective verification by isolated experiment." "The question," McKee goes on to write, "is not so much to fit into place the pieces of a gigantic jigsaw, itself a grand design, as to perceive that they fit many grand designs or perhaps none at all."¹¹ The same, however, cannot be said for the social sciences and economics in particular which has become more rather than less insulated and inwardly focused. McKee writes:

A Christian will see the present crisis of economic science as reaching to a much deeper level. Formerly a broadly accepted social philosophy and structure of values were in place in the West, so that an essentially positive economics (along with other social sciences) could pursue its narrow inquiries with some justification and impunity, anticipating that its specialized results would be modified by prevailing values. But over the 1960-80's it has become apparent that the background itself is fast dissolving, so that the social sciences have no sure way of linking up with an underlying framework and direction of society. Materialism, urbanization, secularized universities, loss of faith in the Judeo-Christian tradition, and multiplication of value systems - these and other factors have created confusion of belief. In this setting conventional economics may intrigue the mind with specialized analyses, but how do these relate to wherever society is heading into the twenty-first century?¹²

The solution, McKee concludes, should be obvious: Christians should make a concerted effort toward reintroducing Christian moral foundations into the fabric of society. This challenge faces all Christians from all walks of life including and perhaps most importantly those who are active in academic research and inquiry. Speaking as a Christian economist, he writes: "It is now counterproductive for Christians to continue acquiescing in the

conventional presentation and pursuit of economic inquiry and more than time to speak out with active dissent."¹³

3. A Christian World View

Social disintegration is not the only reason why Christians should "speak out with active dissent." The Christian belief system demands it. The allegiance of the Christian is to Christ as witnessed in Scripture, and this allegiance lends a remarkably different perspective to this world and how it should be organized and function. McKee refers to this perspective as the "Christian mind," a philosophical view of reality which fundamentally distinguishes the true or "authentic" Christian from his secular counterpart.¹⁴

At one time, the Christian mind was readily evident to most European and American people, irrespective of their beliefs. In more recent years, however, the peculiar perspective the Christian brings to his understanding of this world has been obscured by the preponderant influences of modern secularism. "The former cultural, devotional, and values background," McKee writes, "has largely given way to secular humanism with many pluralistic attitudes, so that the inner substance of Christian belief and piety is no longer generally appreciated beyond superficial facts."¹⁵

This has important implications for no other reason than that the Christian finds it increasingly difficult to express his concerns and promote his objectives in a secular world. "Materialist and secular pressures coming from society, the universities and the media are such that it is very difficult for committed Christians to set aside compartmentalized thinking and find the mind set that their religion requires toward daily experience and what the various sciences have to say about it."¹⁶ Yet, this is what the Christian must do, and to accomplish this it is important to convey the nature and concerns the Christian brings to his task.

The beliefs and perspective of the authentic Christian can be understood in the context of three key considerations: the centrality of God in one's personal life and in

society, the discipleship of Christ and the supernatural phenomena of knowing Christ as one's personal savior, and the role of Christian community or church in human affairs. "Every committed Christian," McKee writes, "acknowledges God as the centrally important fact of his own life and that of society." He understands that his purpose in life is to serve God, "or to say the same thing in a more uplifting way, to live it for His Glory." Every secondary aim is overshadowed by this primary consideration, and it is this objective which "is at the root of the moral code that govern detailed living." It is simply "not possible to leave Him in the background, unmentioned in any deep consideration of reality and the sciences that probe it." To do so "is not an authentic [Christian] attitude toward reality at all."¹⁷

As an example of how the centrality of God informs the Christian mind, McKee points to the significance the Christian attaches to the consequences of good and evil. To reject Christ far outweighs even the worst calamity one might encounter in this world. "Hell," McKee writes, "is a decidedly menacing idea," and whether or not one accepts the literal portrayal cited in Scripture, "the essential reality is total separation from God, in complete hatred of goodness, of oneself, and others, and all this in utter loneliness forever."¹⁸

The issue is raised, not for apologetic or controversial purposes, but to emphasize that good and evil assumes a much greater significance to the Christian than might otherwise be presumed, influencing not only his perception of personal behavior and its consequences, but also social considerations which have a powerful influence over the way people live and think. "Christian thinking," McKee declares, "views the consequences of righteous or evil living as the greatest question in individual and social life, not to be passed over in silence and posing the truest of self-fulfillment."¹⁹

The Christian perspective of good and evil involves, however, far more than a simple philosophy of what and what not to do, residing on a living personal relationship with Jesus Christ. "Being a Christian does not consist merely in being baptized,

professing certain beliefs, praying privately and publicly, et cetera, though these and other things are essential.... The authentic Christian [must] know Christ, to love him before all else, and to seek to do in all things the Will of the Father." Christ resides in the heart of the believer; He is God incarnate, and apart from this belief "Christianity falls to the ground and with it any possibility of an effective Christian social thought." ²⁰

The divinity of Christ, a theological doctrine most Christians readily accept, implies among other things that Jesus is the "Lord over the material as well as the spiritual world." In today's secular climate such an assertion seems clearly out of place and perhaps even strange. "Yet," as McKee declares, "this remains a central belief (Ephesians 1:20-23)," and given this premise, Jesus's sovereignty over this world and its affairs is an issue which cannot be avoided. Jesus is described as "the Light of the world' (John 8:12) and as [the] 'Way, Truth and Life' (John 14:6), and all knowledge and science must somehow link up with and lead back to this Logos." Any knowledge which is not linked with Christ "can be only partial truth and knowledge, incomplete or distorted and misleading in basic respects."²¹

The third consideration which bears upon the authentic Christian's view of reality is the role of the Christian community or church in human affairs. "The followers of Jesus," McKee writes, "instinctively and necessarily gather as a group for worship, they believe the Trinity is present among all who come together in his name, and they are commanded to love and serve one another." The church in this context takes on a broad meaning, including anything ranging from a small two or three person study group to "the body of Christ" which would include all Christians. Irrespective of how one might choose to identify it, "Christians have a radical loyalty to their church, which they accept as repository and fount of teaching and guidance, even if they must make a sometimes heroic distinction between its ideal as the Body of Christ, without spot or stain, and its imperfect human and institutional forms."²²

While much has been written over the centuries about the social and foundational role of the church in human society, McKee confines his discussion to three issues: "the place of Scripture, the role of tradition, and the teaching authority of leaders." With regard to the first of these, McKee writes that "the church has continually preserved, communicated, and drawn upon the writings of the Old and New Testaments," providing the members of the church with skilled interpretations of their various nuances and meanings. Misunderstanding and disagreements may and often do arise, yet it is the responsibility of the church to interpret and teach Scripture as the living Word of God. "It is in this way that the Bible read in the evening somehow connects up with the psychology or economic studies in the morning, even if in so indirect a way as influencing values and personal integrity." "Quite naturally, McKee goes on to declare, "church statements on social questions abound with quotations from the Old and New Testaments to support the principles of economic justice and applications..."²³

Second, the church plays an important if perhaps little understood role with regard to Christian doctrine and social thought. This role is quite vivid for the Catholic who can draw upon centuries of discussion and thought pertaining to doctrinal, theological, liturgical, and disciplinary issues. Solutions to many problems have been found, beliefs and positions identified, and through it all the church has been blessed by the "basic guidance and support of God and His Spirit, as promised by Christ to his followers." This does not suggest that Christian scholarship has been error free or that all issues have been adequately resolved. Much stills needs to be done. Even so, Catholic social thought should be viewed as a vast source of knowledge, and it would be tragic "to set aside what the church may have decided in the past on important questions, especially theological and pastoral, as though some doctrine of progress makes that of only historical significance."²⁴

Finally, the church is granted authority to pass judgment on the social and economic issues of this world. While the question of church authority has led to conflict and even war, most would now agree that no church community can survive apart from

leadership. While divisions and discourse will naturally arise as to which church or denominations is so vested and to what degree, Protestant and Catholic alike would concur that church authority is divinely granted and should in fact be used as an instrument for leadership and discipline. "The Christian community," McKee writes, "necessarily believes itself to participate in the authority derived from God himself - there is no other sovereign source, Jesus remains continually with it, and it enjoys the guidance of the Spirit in all that is fundamental."²⁵

The Christian mind, as described here, has important implications for the Christian intellectual and the way he approaches his work. As suggested above, he cannot simply compartmentalize his understanding of science and faith. For the Christian intellectual reality and truth must link up with an understanding and knowledge of Christ or remain incomplete. "All that we validly learn about the composition of matter, or how the body works, or what makes up the universe is not false, but remains partial information and never finally put in place, as long as it does not link up with what faith, prayer, and grace have to tell us concerning the divine dimension of all reality."²⁶

The search for an integrative approach to faith and knowledge thus becomes one of the principal challenges facing the Christian intellectual. He "does not merely seek truth in various domains, he is also faced with the necessity of fitting it all together, at least in some tentative way." McKee later writes, "... the Christian intellectual has an obligation to pursue this work. Partly for himself and partly for his community, he must face up to the task of linking together in some way, at some level, the truths of religion and his field of inquiry."²⁷

One should not underestimate the difficulty associated with this endeavor. Positivism has effectively muted any reference to commonly held but nonverifiable beliefs in a number of fields. This problem appears to be especially prominent in economics where reductionism and a platonic and overly mathematical approach to the science have greatly diminished the role of ethics and human values in economics. An epistemological wall

between say, psychology or anthropology, on the one hand, and economic or sociology, on the other, has diminished the type of multidisciplinary research which must be done if Christianity is to be successfully reintegrated into economics, and specialization has become more rather than less prominent, contributing to a "sort of bedlam ..., where specialists are little able to communicate with one another and have no time for the effort necessary to see the whole and, perhaps, little interest in it."²⁸

The Christian intellectual, however, should not be daunted. Many of the former conflicts separating faith and science have been resolved in recent years. "Physicists no longer have so much confidence in their ability to arrive at final explanation of reality and assist human betterment and have learned humility respecting their search for the 'laws' of the physical universe." Concurrent changes in religious doctrine "(the account of creation in Genesis, for example, or what the soul and heaven may be)" has done much to reconcile religious and scientific explanations of nature. Developments within the field of philosophy have pressed home the point that "all knowledge ultimately reposes on faith (Polanyi, 1958)," and Christians continue to retain an abiding belief that scientific discovery will eventually vindicate much of what has traditionally been known only by faith. Finally, it should not be forgotten that 'putting things together' is aided by prayer and grace, since these invoke the help and resolution of difficulties provided by the Spirit of God, seeking the vantage point of truth itself."²⁹

The task facing the Christian economist is in some respects easier and in other respects more difficult than that facing the Christian intellectual in general. On the minus side, "... economics has remained too much modeled on nineteenth-century science, approaching the economy as a complex machine to be unraveled by patient deduction and verification and insufficiently as also the creation of contingent human behavior, relative to beliefs and goals as well as time and place." This problem is further compounded by 'reductionism,' which McKee describes "as the practice of limiting causes for some whole effect to just those that an observer considers necessary and sufficient to explain parts of

it." What is usually done away with, however, has as much to do with consensus as it does with truth, and the easiest most accepted route is simply to dispense with any and variations, including most prominently religion and ethics.³⁰

The Christian's response to this McKee concludes is to approach reductionism in a prudent way - rejecting some nonverifiable claims and accepting others. He writes:

Confronted by reductionist hypotheses, the Christian mind will make prudent use of them to cut away falsity; the great number of reported visions and religious experiences would produce bedlam if all but very few were taken seriously. Illuminism (Knox, 1950) does produce some fevered brains (which God surely treats indulgently). But after this the Christian asserts the place of faith and prayer and takes a holistic, generous attitude toward accepting Divine Providence and intervention. 'Nothing but' attitudes repel him, not merely for their arrogance and ignorance of which the flaws in supposedly scientific explanations are recurrent witness - but also for their rejection of God's benevolent work for humanity. The whole of life is not merely the sums of its parts reduced to specialized analysis and explanation, and the stage of putting things together 'fidens quarens intelligentiam' (faith seeking understanding) is the Christian's guide.³¹

On the plus side, economics is part of the social sciences, and "integration is at least easier to set in motion, since man and his behavior are the immediate focus of the inquiries in question and Christian thought." The latter starts with faith and revelation, proceeds to theology by way of philosophy, and ends as a distinct view of reality. In this process "there arises an interpretation of life that can link up with what economics, sociology, psychology, anthropology, and history (to speak only of these) each establish concerning behavior in their specialized domains." The entrepreneurial spirit, for example, has been studied in various ways in each of these disciplines. The key here is to link these various explanations together, introducing where applicable the dimension of morality and human evil.³²

The Christian intellectual, no less the Christian economist, McKee concludes, pursues his work in a much different way than what might normally be encountered in a

modern university setting. He writes:

The authentic follower of Christ sees final truth and reality in a particular way, seeks to integrate all knowledge, draws on sources of knowledge inadmissible to many, guards religious faith in first place before science, resists the reductionism that excludes the religious domain, rejects mere intellectualism as the interpreter of life and religion, respects but restrains liberty, and regards the world as a place of confrontation between good and evil before its final transformation. Secular humanism and positivism are two prevalent codes of thought and behavior before which the Christian is especially on his guard.³³

The Christian mind which the Christian intellectual brings to his task is, of course, of the utmost importance in allowing the Christian intellectual to realize these objectives. The centrality of God, the divinity of Christ, and the role of the Christian as part of the body of Christ bring a completely different perception to what should be accomplished in this world and why. As a servant of Christ the Christian intellectual has no other choice but to honor this belief system in his actions and through his work. Because we live in a pluralistic world, however,

Christian intellectual attitudes must in all charity and forbearance, be presented with some restraint in the common endeavor of daily work and communication. My concern has been to emphasize their distinctive character, to counteract the danger of their denatured and overwhelmed by current fashions of thought and behavior.³⁴

4. McKee's Critique of Economic Science

It should be evident that the beliefs and objectives of the Christian intellectual as identified here clash with the implicit beliefs, methodological approach, and objectives associated with economic science. "It is not too difficult to conclude," McKee writes, "that the presently widely accepted object and purpose of economic science do not accord with Christian thinking and that the framework of liberal individualism is equally foreign to

it."³⁵ Elsewhere he writes:

Christian economists have long been obliged to adopt compartmentalized thinking. However, important personal religious beliefs and practice, in undertaking economic enquiry and communication they kept such premises out of sight and worked within a restricted range of reference acceptable to colleagues of different backgrounds. While this proved a more or less tolerable procedure over say the last fifty years of sustained positivism, we have reached breaking point. The dissolution of values is such that, for Christians at least, glossing over these compromises is counterproductive.³⁶

McKee's critique of economic science is two fold: first, "the subject matter and aim of economics and the background it normally assumes (i.e. liberal individualism)" is largely, but not entirely, antithetical to long-standing Christian social doctrine and beliefs; and, second, the methods of analysis most closely associated with current renditions of the science effectively excludes the type of holistic, explicitly value referenced approach to science that comports with the "Christian mind." With regard to the first of these two critiques, McKee "divides the definition of economic inquiry into *what* is studied and *with what aim*",³⁷ in the second, he identifies a number of methodological issues - an over emphasis on mathematical and quantitative approach, a misguided notion of rationality, mechanistic maximization and minimization routines which disallow the richness and diversity associated with human and organization behavior; a misleading view of scientific knowledge which is premised as much on consensus as on fact, and a methodological structure which disallows cultural and economic diversity - which contrive to exclude or distort Christian principles or values from the inner workings of economic science. In both cases, McKee's principal concern is the "virtual impossibility that has developed of harmonizing Christian principles at this urgent time with important areas of mainstream economics."³⁸

It is McKee's contention that the subject matter of economics is essentially a matter of convention, evolving over time from the narrow focus on production, distribution,

exchange, consumption, identified by Say, to the broader focus on human well-being suggested by Marshall and Pigou, to the much referenced focus on choice in the presence of scarcity popularized by Robbins. While all three renditions are lacking, the second is clearly preferable: "Christian thought must obviously welcome the emphasis on man and welfare," but should go beyond the normative overlay suggested by Pigou, introducing ethical "values from the beginning, not merely as a correction after science has finished its work." The definition suggested by Say has some merit, but "the drawback is that you are merely affirming that the subject of economic study is the economy, while offering one description of what is entailed." McKee finds the definition suggested by Robbins to be the least acceptable of the three, implying a positive/normative distinction which is neither factual nor serviceable from a Christian perspective³⁹

Robbins's definition, McKee argues, not only effectively excludes Judeo-Christian values from economic analysis, it replaces such values with an alternative set of values which in practice come to reflect the personal preferences of the economic practitioner. He writes:

Now it is one thing to deny ethical purpose to economic inquiry and another to deny *any* purpose, since this makes social science decidedly unattractive and flies in the face of two centuries' belief and practice by economists. Accordingly, Robbins made the search for efficiency the immediate outcome for economic analysis, naturally enough, since economizing is in an obvious sense of the word *economic*. But efficiency only introduces the values of minimization of cost or maximization of output. Denial of purpose is, in fact, a fiction that textbooks pursue in their opening pages or methodologists affirm in their corner. In practice - in classrooms, corridors, and studies of policy - the economist speedily forgets that piece of rubbish, making purpose part of economic discourse.⁴⁰

The very idea of a value-free science, McKee goes on to declare, is vacuous at best and misleading at worst. "Values," he writes, "are like air, impregnating behavior and forcing their way back in as you try to eliminate them." Positive economics does not truly

exclude values, "but only substitutes new ones where mere maximization and equilibrium are the silliest." He writes:

Strive as you will to treat [values] as mere devices to give direction and term to reasoning, inevitably they become 'good' in the absence of values properly speaking. Further, those who purportedly leave aside ethics in fact infuse their own value systems in their work, since their influence is irresistible. The codes of secular humanism, scientific positivism, and individualism are evident in the world of so many economists, who for one reason or another leave the Judeo-Christian tradition aside. Economists would do a great deal better to make their value premises explicit, becoming more conscious of how their work is modeled by them and the direction of their thought.⁴¹

Since values are introduced into economic science, irrespective of denials to the contrary, the question naturally arises as to what values are being introduced and "with what aim." In answer to this question, McKee identifies liberal individualism as the idea most closely allied to modern economic science. "Liberal individualism," he writes "is a familiar set of ideas, though not easily pinned down in its origins or a systematic statement." Through the emphasis on "justification by personal faith" and "the nonessential ministry of priest and church between individual and God," the Protestant Reformers contributed to the rise of the individualist ideal. The enlightenment and 19th century liberalism lent support to the idea as evidenced by J.S. Mill's famous work *On Liberty* (1859). Today, liberal individualism takes on a much more diverse meaning, "reflecting such influences as worldwide insistence on personal freedoms and rights, individualism in economic and social affairs, ethical relativism, economic prosperity and growth showing the advantages of the system of natural liberty, the failures of authoritarian regimes and controlled economies, and the presumed guidance exercised by education and humanistic values." McKee identifies Ropke, von Mises, von Hayek, and Friedman as the principal proponents of the modern individualistic ideal.⁴²

From a Christian perspective, liberal individualism has much to be commended, lending support to the Christian ideals of personal freedom, political liberty, and human dignity. Where it fails is the total disregard it exhibits towards the social nature of human existence. McKee writes:

The individual and liberty are of the greatest importance, but community and ethical interpretation modify their exaggerations...⁴³

The objective therefore is to strike a balance between the personal freedom and liberty of the individual with the social nature of human existence. A mere aggregation of individual welfare fails to accomplish this task, ignoring the social essence invested in God's creation. The social optimum first advanced by Pareto is a case in point. Approaching the issue from the standpoint of the individual, Pareto argued that a social optimum would occur when no further improvement in the welfare of any individual is possible without a reduction in the welfare of others. Commenting on the inadequacy of such an approach, McKee writes:

Pareto reached this proposition by treating everybody's utility as a function strictly of his own preferences, the group for him being only a *collection* of individuals. But if instead society is taken to be a *communion* with initial mutual rights and obligations, if everybody is necessarily his brother's keeper, the optimum loses any meaning. Pareto got around the problem himself by declaring community to be a sociological concept, which merely defined away the flaw in his economics.⁴⁴

Pareto wrote and lived almost a century ago, and it would be reasonable to expect significant improvements in the way economic science accounts for the social element in human nature. Such, McKee argues, is not the case. During the early part of the century, Marshall and Pigou endeavored to use an aggregated measure of individual utility as a measure of social welfare, relying on consumer surplus in the case of Marshall and national dividend in the case of Pigou, to suggest how social welfare could be improved through various tax and income policies. Both of these writers relied on a cardinal

measures of marginal utility, which in Pigou's words could be brought "into relations with the measuring rod of money." Hicks and later Samuelson, however, rejected interpersonal comparisons, arguing that such comparisons were unobservable and, for this reason, theoretically untenable. While theoretically eloquent, the newer version rendered welfare economics all but useless from a public policy standpoint. "The ruling out of interpersonal comparisons," writes McKee "remains the rock on which they founder."⁴⁵

The problem, however, goes well beyond an inability to make personal comparisons of utility or personal well-being. Neoclassical economics is built on the presumption of "methodological individualism" and this has had the perverse effect of reducing the social element in human nature to mere egoism and self-serving motives. Commenting on the methodological approach employed by Gary Becker to model altruistic behavior, McKee writes:

... one might smile at the nonoperational character of Becker's argument, which could only be applied in a loose and dubious way to the family and other examples given. From my viewpoint, the chief objection is that the technique in question, which is characteristic of the positive-rationalist approach, compresses the richness of altruism into a few skeletal functions for the purpose of the usual maximization exercises. The qualitative fullness of what might be called benevolence or love for others is pushed through the all-purpose machine for the sake of rigorous analysis, like similar studies of the 'economics' of marriage or sport. Then this highly specialized view (which may have elements of truth for certain supposed altruists) is taken in a reductionist way to be the substance of such relations. The narrowly positive analysis becomes the economic interpretation and, by default, a substitute for wider discussion of the values that underlie the topic in question. The bad manners of eating with one's fingers or selection of a marriage partner are reduced to calculation of competing utilities!⁴⁶

Becker is, of course, only one of many economists and the highly individualistic approach he adopts towards the study of family, child rearing, altruism and other such issues is certainly not representative of the entire profession. In a sense, however, the

narrowly focused, highly theoretical, rational/positivist approach he employs typifies what is wrong with modern economic science. "Economic science," McKee writes:

has become addicted to modeling, meaning the practice of representing economic situations in mathematical propositions, ranging from the simplest ideas, say the dependency of quantity bought on price, to complex representations of the economy, say input-output and macro forecasting systems. It is not sufficiently appreciated that all mathematical conceptualizations are ideal and never more than approximate representations of what is represented. This approximation is intensified by the extraordinary number of variables in economic situations and their being generally subject to behavioral as well as physical influences. While the tentative nature of economic theories is generally recognized, nevertheless the mathematical ideal of exact premises, rigorous reasoning, and precise conclusions easily enralls economists (the disease is not confined to them). So that any connection with the real world can become remote and not even matter. One enters into a realm of invented concepts, which can be imagined a sort of Platonic reality if you stay immersed in it.⁴⁷

While an overemphasis on mathematical rigor poses little danger to the economist who engages in such practices, its ascendancy poses a danger to the world in which we live, misdirecting the efforts of the profession towards marginal and largely insignificant issues while ignoring or systematically excluding issues which do not lend themselves to the type of modeling techniques which are currently in fashion. Economic science, declares McKee, has been cut adrift from reality, and this poses grave danger to the world in which we live. He writes:

There has been a great deal of writing in the 1970's-80's on the crisis confronting modern economics.... For many it is centrally the breakdown in macro theory, where we no longer have any widely accepted analysis and policy for the correction of stagflation... Other are discontented with modern economics for the reason that it has no effective way of coming to grips with many contemporary social issues. A terrifying armaments race and nuclear destruction menace the human race, but economic is busy with preoccupations irrelevant to them. We give microscopic attention to monetary theory while unemployment seems insoluble; we analyze the 'economic' aspects of trade and capital flows while millions die from hunger. When the economist does focus on social issues, it is usually from

a utilitarian perspective, so that too much escapes his narrow calculus of advantage.⁴⁸

Current approaches to economic science, McKee writes elsewhere, not only insulates the profession from the considerable problems which beset this world, but sanction the type of behavior the "Christian mind" would find disturbing. One such example is the one-dimensional focus associated with economic maximization and minimization routines. While "in most environments efficiency is entirely necessary for the survival and success of businesses and farms, to feed the billions that inhabit the earth,"⁴⁹ this does not obviate personal and social responsibility, nor does it imply that employees should be looked upon or treated as impersonal inputs in the production process. A third concern is the excessive materialistic pursuits it appears to foster. "More relevantly," McKee writes,

economic maximization is commonly taken to concern personal satisfaction, output, profit, and investment returns, with moral values and the more refined and humane side of life systematically excluded; in which case it is easily at odds with Christian virtue and thought. One has only to recall the terrifying strictures of Jesus on the excessive pursuit of riches. Much later, some of his followers proceeded to identify Christian living with the sort of sober, industrious world that leads to wealth accumulation. A certain detachment from worldly success and the demands of charitable giving may have been held out as ideals, but overemphasis on industriousness steadily allowed wealth accumulation to poison Christian society. The United States is the classic example of where such puritanism may lead.⁵⁰

Other criticisms raised by McKee include the systematic exclusion of nonquantifiable phenomena or data, a view of rationality premised on logic and consistency and nothing else, maximization and minimization techniques which impart a distorted picture of human nature and organizational objectives, a research program which is predicated more on consensus than most economists are willing to admit, and a methodological approach which disallows the type of diversity one normally observes over time and between cultures. All of this, McKee argues, is reason enough to reject the prevailing mode of economic science, but it is the way such factors have contrived to systematically exclude

Judeo-Christian values from the inner workings of economic analysis which is of greatest concern to the "Christian mind." He writes:

Now, my concern is not so much to repeat widespread criticism of mathematical modeling in economics, but rather to emphasize from the perspective of Christian thought the blocking out of values and ethical considerations that occurs. Models necessarily begin with exact premises and proceed through rigorous reasoning to precise conclusions, at which state one may be invited to introduce value judgements to modify them. But the difficulty is that ethical considerations are not simply coats of paint you apply to a finished edifice to alter its appearance to your taste. Instead they affect the premises and reasoning of economic behavior from the inside, so that the conclusions emerge rather differently. Mathematical modeling results in a kind of armor plating that simply cannot admit values, since they do not fit into the quantitative logic that is the essence of it.⁵¹

Citing the work of Boland, Feyerabend, Polanyi and others, McKee calls into question the scientific claims of the discipline, arguing "that the case of autonomy of economic inquiry founded on a special methodology and epistemology simply invokes some ruling consensus." "'Scientific' economics," he writes,

is heavily influenced by assumptions and techniques that have a certain arbitrary character reflecting a conventional approach to economic behavior, so that it cannot claim some sort of rigorous independence or objectivity with respect to the judgments and recommendations of Christian thought. The independence in question reflects a preferred interpretation of the evidence and methodology - not to be taken lightly, but hardly graven in stone.⁵²

The postmodernist critique invoked by McKee raises the possibility of a distinctively Christian approach to the science. McKee, however, rejects such a notion in the interest of reaching a pluralistic audience. "Economic analysis, " he writes,

... necessarily encounters values, so that it is possible to conceive of a specifically Christian version of it - as of relevant parts of sociology and behavioral psychology. Of course there is no specifically Christian version of why the exchange rate depreciated by 10 percent or why the real wage rate rose 5 percent last year, insofar as effects are simply ascribed to causes. But economic analysis does not stop at data and connections, but infuses

judgments and recommendations into its work. In this way, the *possibility* arises of a specifically Christian economics. This said, given the fact of a pluralistic profession investigating pluralistic economies, Christian thought will advisedly respect the qualified autonomy of an economic science constituted on the kind of basis with which it can harmonize, namely, one acknowledging appropriate moral values. There can be only limited merit in going further to contemplate a special version of economic analysis for a limited audience.⁵³

As an alternative to mainstream economics, McKee suggest a "middle road" between the overly austere mathematical approach commonly associated with the discipline and a "mere generalized description of institutions."⁵⁴ The former approach lends itself to a type of surrealistic isolation, spinning out an almost endless stream of theoretically eloquent but practically irrelevant papers and books, while the all the while civilization and the world's millions fall into a deeper state of distress. The latter approach has received greater attention in recent years, and there is certainly a place in economic science for "close descriptive attention [given] to evolving institutions and their legal and customary framework,"⁵⁵ but similar to the positivist research agenda which invest mainstream economics, it fails to provide a morally satisfactory dimension to economic analysis. Both approaches "depend for their acceptability on consensus of the investigating 'club,'"⁵⁶ and in the secular social milieu which characterizes Western civilization, both give short shrift to the type of issues of greatest concern to the "Christian mind." McKee writes:

Christian misgivings on economic method turn chiefly on the question of values and links with the wider social, cultural, and religious context. In suggesting modifications, a Christian approach strikes a middle way between excesses. On the one hand, it is attentive to the history and development of institutions, accepting their inductive implications but without rejecting deduction from social principles and human behavior. On the other it accepts the necessity for abstraction that is the stuff of science, along with the helpfulness of modeling, but rejects formalistic excesses that quit reality for a world of creations of the mind, overplaying logic in formulating a science of human behavior. All this entails a cost and a gain. Economic theory would find its pretended rigor curbed, and courses in mathematical economics would spend as much time reflecting on epistemology and the limitations of what is taught as on actual theorems conveyed.

Frustrating but salutary. The modifications of which I speak would introduce a certain looseness and even woolliness foreign to the present character of economic science and probably antithetical to a majority of practitioners. The gain is a wider perspective close to actual economic practice and much more valid from an ethical point of view.⁵⁷

5. McKee's Approach to Christian Economics

In keeping with the foregoing conclusion, McKee develops a more realistic if less precise "neo-scholastic" approach to economic science. Starting with a "few leading principles of social life," McKee derives a set of fundamental economic principles which "link up with intermediate criteria applying to the economic institutions in question and their working." These then merge to provide the "details of specific applications by complex processes." In this latter stage, the individual translates principles into actual applications, "taking account of available data and technical analysis, and seeking the compromises between ideals and reality typical of this imperfect world."⁵⁸ While less precise than mainstream economics, such an approach explicitly integrates values into the decision making process, a result much more in tune with the beliefs and objectives of the Christian mind. "My overall position," McKee writes, "is that the Christian mind is much more comfortable with a reworking of economic science that incorporates values and promotes individual and social welfare in a rounded sense, though the idea of a specifically Christian version is rejected."⁵⁹

As a starting point, McKee looks to long-standing Christian social principles as a foundational basis for a set of fundamental economic principles. Social principles include "civic" and "natural" rights and corresponding obligations; the social nature of man; the organic nature of state; social virtue; natural law; and commutative, distributive, and social justice. From these follow a more general set of economic principles including economic rights and obligations; the free exercise of mind and body; the natural right to private property; the right to engage in free enterprise; the right to employment, a just wage, and collective bargaining; the just nature of profit and return on capital; consumer sovereignty;

the naturalness of a market economy; and the rights of the international community. Social principles can be generally viewed as universal, applying, with few exceptions, to all nations at all times. Economic principles are both culturally and historically specific, differing with the type and overall level of economic development.⁶⁰ Finally, it is McKee's contention that economic principles are vacuous apart from the underlying Christian social principles, and in this sense he parts company with the postmodernist position, looking to an absolute foundational basis for both the institutional arrangements and modes of behavior most closely comports with the Christian mind.⁶¹

"Our beginning point," writes McKee, is our "universal intuition of the value and dignity of human life, an insight that leads us to perceive in the lowliest as in the greatest of human beings and achievements the immense worth of humanity." From this there follows a "sure basis" for rights and obligations, where the former has been traditionally classified as "civic" and "natural" and the latter is looked upon as the correlative duty to ensure the fulfillment of such rights. Civic rights are derived from specific laws dealing with modern circumstances (say, unemployment insurance or parking in designated areas); natural rights include "those of life and security of person, marriage and children, certain minimal living standards, various freedoms, absence of discrimination, and so on." All such rights imply a responsibility. "If we have the right to life, we must take ordinary means for its preservation; or if we are in need, others have an obligation to us." "Literally, everyone is God's special creation, and nobody may despise him, or cast his claims off."⁶²

Divinely ordained rights and obligations have obvious implications for the economy and economic behavior. "If every being is created in the image of God and has His service as the overriding principle of life," then it follows "that all are entitled to the material requisites of physical and mental health." It also follows that individuals are entitled to minimum standards of health, habitation, and education and "these with certain provision over time." While "a certain relativity attends their realization," adequate diet, availability of medical care, protection from excessive environmental pollution, sanitation, sufficient

recreation, education etc., are objectives that all societies should strive towards. "One can only affirm that basic material welfare must be assured in whatever society, after that judgment enters."⁶³

The corollary of such rights is that society has the responsibility of "assuring them through the operation and management of the economy." Insofar as this responsibility is not met through prevailing institutional arrangements, "obligations arise for the owners of property, those who direct enterprise or who operate the financial system, and governments that supervise and stabilize the economy." McKee writes:

Those who control property must employ or invest it appropriately, enterprise, must be conducted for the welfare of all employees, and the financial and distributive system must cooperate in the work of ensuring minimum welfare for all. While many aspects of economic reality come crowding in at this point - the excessively materialistic character of society that pushes living standards continually higher, dangers of bankruptcy for enterprise, abuses of social security, and so on - all this is an applied debate lying beyond the affirmation of basic rights and obligations⁶⁴.

Society has an obligation to provide gainful employment to all its members, "even if some allowance must be made to preserve economic freedoms in using work and property." As a rule most individuals in a modern market economy "do not possess the means of production .. so that employment is indispensable to furnish a livelihood for oneself and dependents." It therefore follows that an inability to find work places the individual and his family at risk, and this violates the natural right to a minimally acceptable standard of living. "Men and women," for this reason, "should broadly be able to find suitable work for their talents and abilities," and "this right goes very far, since it places an obligation on those concerned to satisfy it."⁶⁵ Commenting on this responsibility, McKee writes:

Enterprises may not simply dismiss or lay off employees lightly, nor may governments avoid their role of intervention and stabilization. Evidently, one must take into account the viability of the enterprise, the safeguards provided by unemployment insurance and welfare schemes (so easily taken advantage of by both employees and employers), the abuses that unions

may engage in, and more. Beyond all this, however, the fundamental right of unemployment can be given some justifications only through the need to preserve economic freedoms in using work and property. A necessary price is a certain dislocation in employment, aggravated in many economies by excessive mobility of labor and an economic system that has de-emphasized the kind of enterprise loyalty seen in modern Japan. However, unemployment as a passing experience for many is one thing, but as an excessive and permanent condition it represents a wrong deeply productive of individual and social malaise.⁶⁶

Natural rights also imply the "free exercise of our faculties of mind and body." or equivalently that "each person has a dominion over his own powers," and from this "certain institutions arise in the free economy." The rights of consumers implies a system of resource allocation which acknowledges the primacy of consumer sovereignty. The right to freely withdraw one's labor "justifies both labor mobility and strike action." The right to use one's talents and property implies a right to engage in business activities for profit and gain, and the right to pursue such objectives on differing terms implies the naturalness of a competitive market economy.⁶⁷

Consider the role of consumer freedom as a foundational basis for a market based approach to the allocation of resources. Given such a right, it necessarily follows that production decisions will comport with the preferences of the individual rather than those of the state or planning bureau, an idea which "fits in well with individualism and its liberties, even if it is much exaggerated in the modern economy, where advertising is so important and consumers are subject to changing fads." Consumer sovereignty rules out, of course, central state planning, a result which "follows from basic freedoms." Commenting on this latter issue, McKee writes,

..... bureaucratic failures to respond effectively are only too clear in present 'socialist economies.' In any event, the wholly planned economy, denying consumers effective powers of exercising their preferences, runs counter to basic rights and freedoms, a matter to which consumer frustration in communist countries testifies.⁶⁸

The right to organize and engage in collective bargaining also follows from the "free exercise of our faculties of mind and body." *Rerum Novarum* (1891), McKee informs us, established the legitimacy of unions and strikes as a just means by which workers may protect themselves from the vicissitudes of the market and the excessive power of the employer. Contemporary Catholic social thought retains this view, acknowledging that the "right to combine in labor unions flows from the natural tendency of individuals to band together in association for mutual benefits." With such rights, however, come responsibility. Breaking the terms of a labor-management contract, sympathetic strikes, and secondary boycotts, and violence to those crossing picket lines are practices commonly outlawed. Despite this, it should be acknowledged that unions have as much right to exist as do the institutional entities they contest with.⁶⁹

The "free exercise of faculties and minds" also implies the right and opportunity to use one's talents and property with responsible freedom, and this in turn implies that private enterprise has an entirely legitimate place in society. "Its universal emergence in societies," McKee writes "is evidence enough of its naturalness" What is of interest, however, "is the place which should be given communal and public enterprise in a modern society." Rights imply duties, and while "one may assert the right of individuals to engage in enterprise for personal benefits and the general desirability that some reasonably large number in a free society" exercise such freedom, this does not imply the absence of responsibility or limitations. "Private enterprise," McKee writes,

destroys itself when unrestrained individualism, leads to irresponsible competition, excessive takeovers, and eventual destruction of widespread ownership of the means of production. Freedom to use one's talents and property as one wishes is a strong yet fragile thing, demanding the protection of morality as well as law.⁷⁰

Finally, because "God gave to the whole human race an earth that is divided up by his human arrangements," it follows that "all human beings have," with some

qualifications, "a radical claim to share in the land, capital, and a wealth of others." From an international perspective, this implies that "people do have the right to immigrate and there is no theory of the nation or country that can validly exclude them." While the recipient country "does retain the right to protect its welfare against too large numbers, and excessive entry of too disparate people may generate dangerous social problems," it, nevertheless, "remains true that countries should extend some welcome to other peoples in need." A similar imperative applies to international trade and finance. "It must be pointed out," McKee declares, "that all countries have the right to trade with one another, having their goods accepted and having access to foreign countries." The same can be said for the international movement of capital which in McKee's words "is a right to be protected for its benefits to donor and receiver countries." In the case of capital and labor, the rationale is the same: "the world is an international society," and this affords the buyer and seller, lender and borrower, and immigrant the same rights which would exist within a given national boundary.⁷¹

The second social principle identified by McKee is the social nature of man. "Man," McKee writes,

is social by nature and a common good of the group requires to be taken into account no less than individual goods. The community side of life is studied by many disciplines, and we have acquired a wealth of knowledge about our physical, psychological, economic, and other needs and relations. Christian thought goes on to insist that man is by his very nature oriented towards the goods of others, egotism is self-destructive, and any individual's good is properly realized only in relation to that of others.⁷²

Since humankind is divinely invested with a social nature, humanity has a responsibility to conduct its economic affairs in a way which honors this truth. Excessive individualism is therefore rejected as are *laissez-faire*; libertarianism; exclusive rights to property; excessive materialism and other social doctrines; and belief systems and modes of behavior which diminish or undermine family, community, and social relationships.

Commenting on the inappropriateness of individualism as a foundational principle for a Christian approach to economics, McKee writes:

Since Christian thought is both personal and yet social, it does not acquiesce in the excessive expression and protection of rights as economic individualism which in fact entails violence towards others. Given the purpose of individual life, the exercise of all freedoms must enhance, not endanger them; and given the social orientation of each person and the need to respect the good of others and common good, individual use of physical and mental powers is limited by the rights of the community. At the other extreme, equally, the Christian ethic does not acquiesce in the excessive curtailments of authoritarian regimes. Instead it pursues the middle road of defending economic freedoms while constraining them within right morality and the law which presumptively reflects this.⁷³

The third Christian social principle identified by McKee involves the nature and role of the state in human affairs. Unlike Lockean social contract theory, the state in Christian social thought is not a mere collection of consenting individuals. "In the first place the state is ideally a communion as opposed to a mere grouping of individuals families and lesser communities," and "its members cannot direct their activities only by self-interest and exclusively selfish ends, service and care for others being essential." Second, the objective of the state is the common good, "which both includes individual goods and circumscribes them into something different from their mere sum." Third Christian thought generally "regards the state as a bodylike or organic entity," whereby each element performs a distinct yet essential function, and where "each must be respected and all contribute to the good of the whole." Finally, the authority of the state goes beyond the apparatus of law, the judicial system, et cetera, reposing on the divine authority invested by God. "In this way, tensions between authority and obedience find their resolution, assuming its legitimate and moderate use, its respect for the dignity of those affected, and the decision of the latter to acquiesce with goodwill."⁷⁴

McKee invokes natural law as the fourth social principle upon which to found a more general set of economic principles. Natural law can be thought of in three distinct

ways: first, as "regularities implanted in inanimate and inanimate nature (instinct and physical laws)"; second, as "moral injunction sensed through conscience in human beings"; and third, as "specific commands recorded in the Old and New Testaments." Natural law in the second sense has a long tradition reaching "back beyond medieval thinkers to Roman and Greek origins and forward through seventeenth century discussion (notably Grotius d. 1645) to the present," and it is to this tradition and understanding that McKee looks as a foundational principle underlying his Christian economic thought.⁷⁵

Natural law, according to this view, can be thought of as the essence or understanding "God has implanted in the human heart and mind as moral command," apart from faith and revelation. Aquinas referred to natural law in this sense as "human participation in the Divine law.." "Parents have from such a concept of the natural law the right and duty to oversee the education of their children, and it is wrong to cut off one's hand or kill another." Natural law is also evident in social and community relationships. "As rational creatures we are called on to have some share in God's own role, perceiving His law in ourselves and in community."⁷⁶

Using this argument as a basis, McKee sets forth a number of economic principles including the naturalness of private property, the naturalness of a market economy, and the just law tradition first advanced by the Scholastics and used more recently by various neo-scholastic writers. Because "man is made in the image of God (Gen. 1:27),"⁷⁷ humankind, according to natural law theory, is invested with "the ability to perceive what is right and to direct their actions accordingly, albeit as assisted by the wise and enlightened." This ability and obligation, arises from "a true perception of what they are and the purpose of life"; it is "in effect their awareness of the natural law." It was on the basis of this foundational principle that the Scholastics could argue with assurance that people have an obligation to act in a just way in their economic dealings. While an understanding of what is just or right may evolve over time - as evidenced by slavery and other anachronistic ideas, and while "conflict often arises with regard to practical implications," there

"is no reason for discrediting the idea." Natural law theory, McKee concludes, "must remain one essential foundation for Christian social principles."⁷⁸

Apart from the scholastic and neo-scholastic concept of justice, probably the most notable application of natural law is the argument advanced by various Catholic writers in defense of private property. "Scripture," McKee writes,

clearly gives the earth to mankind for its *common* welfare, so that it must be divided up by human arrangements to permit individual and group control. Hence the question arises whether individual property rights determined in this way are still "natural," reflecting the force of human nature and the natural law, or depend purely on historical, or social contract decisions, so that societies are free to decide on forms of common ownership as they choose. In the latter case, extreme socialist doctrines could be held as legitimate human arrangements.⁷⁹

Christians have struggled with this question for centuries. The New Testament (Acts 4:32-37) informs us that "early Christians practiced community to some extent, doubtless with private ownership widely intact."⁸⁰ A common view among early Christian followers was that while the earth was "given to mankind in common, individual appropriation was made necessary by the Fall." Incorporating elements of Roman law into this view, it was argued that "by *ius naturale* all was given in common, but by *ius gentium* (positive law, customs) private ownership and property contracts were justified for the peaceful division of property."⁸¹

Aquinas modified this argument, relying on reason to extend *ius naturale* to individual possession. McKee conveys the substance of Aquinas's argument as follows:

If the earth exists in common for the welfare of all and is by human arrangements divided up, private ownership is necessary for human living; for men are more industrious about what is their own, greater order results if one person has charge of particular things rather than everybody having charge, and greater peace will reign if each has his own.... Aquinas concludes with the Christian reconciliation of individualism and socialism, "Man ought to possess external things, not as his own, but as common so that he is ready to communicate them to others in their need." In sum, our exclusive rights to property are tempered by the duty of assisting others

and using it not merely for our own good, but also for the benefit of others and the community. Stewardship is a common latter-day expression of this.⁸²

The first major restatement of the Aquinas's defense of private property during the modern era is contained in *Rerum Novarum*. Written as a repudiation of "the extreme socialist claim that all property should be owned in common," RN combined elements of Scripture, natural law, and Lockean natural right theory to provide a reasoned endorsement of private property. "Leo," McKee writes,

declared that people engage in remunerative activity for the purposes of obtaining wages and then land and goods as their private possessions, "... *Quia possidere res privatim ut suas, jus est homini a natura datum.*" For this assertion, the encyclical gives four justifications: having reason, man has the right to use external things in a stable and permanent way, in contrast to animals; man is entitled to the fruits of his labor (a Lockean argument); civil law everywhere respects private ownership, and in this it reflects Divine ordinance such as the commandment not to steal another's property (Deut. V. 19); and man's family obligations make private property and its inheritance necessary. Interference with this right by the state is rejected, since the latter comes after the individual and the family. Moreover, such an attempt to bring about community of goods would harm the efficient use of property and provoke disorder.⁸³

Leo tempers this endorsement by invoking Aquinas's argument on the provisional nature of ownership, arguing that those in possession of property should contribute to the necessities of the poor. But, as noted by McKee, such provision should be voluntary, "an obligation not of justice (except in extreme cases) but of charity."⁸⁴

Leo's endorsement of private property is much stronger than that propounded by Aquinas and many other Catholic writers throughout the centuries, and it was perhaps this consideration which prompted John Paul II to write more than seventy years later that "Christian tradition has never upheld this right as absolute and untouchable... the right to private property is subordinated to the right to common use [benefit]."⁸⁵ In any event, the apparent about face has touched off a controversy concerning the theoretical consistency

of Papal pronouncements on the subject. Responding to Waterman's assertion that "Less than a century after RN Catholic social teaching had reverted to the status quo ante," McKee writes:

In my contrary view, if one takes in the whole context of RN, QA, MM and LE, avoiding attempts to find contradictions in a literal way, we have from RN to LE simply the normal process of development and clarification that attends any socio-economic principle.⁸⁶

The argument set forth by McKee is that evolving changes taking place within the economy, the political system, and Catholic natural law doctrine, explains the apparent inconsistency from the time of Aquinas up through RN to the present. "Leo's declaration," McKee writes, "remains valid for modern society and that private property must be one foundation of any modern economy corresponding with human nature."⁸⁷

The fifth social principle invoked by McKee as a foundational basis for a more generalized set of economic principles is social virtue. While "a certain prudish sense," is commonly conveyed when talking about virtue, "the concept merely signifies a good habit or customary way of acting." From a personal perspective, temperance, prudence, and fortitude would be considered a virtue as would compassion and love. From a social standpoint, love of neighbor, liberality, and charity would qualify, as would patriotism, good citizenship, and justice. There are other examples, but what is important is that virtue cannot be separated from humankind's personal relationship with God. McKee writes:

A virtue is a quality of soul or spirit properly speaking (or whatever our nonmaterial essence should be called), flowing through to inform physical characteristics of mind and body. Somehow goodness of soul is apparent in eyes or hands as well as in the speech we most attend to. It extends beyond the merely natural and humanitarian; for the Christian, what is virtuous in men and women ascends to God through prayer and union and is shaped by the Spirit. In this way, virtue stays alive and does not become formalistic behavior degenerating into hypocrisy. While a listing of its different forms is important one should not be carried away by classificatory business; really 'every virtue is a diffraction of [the] infinitely rich simplicity [of God] upon a potentiality of man' (Guardini, 1967, p. 8). The virtues are simply

names for the aspects of God that we strive with divine assistance to impress upon ourselves."⁸⁸

From a social standpoint, the two most important virtues are charity and justice. "Some practice of charity is indeed obligatory for Christians," but beyond this it become voluntary, "calling for more as a reflection of greater love." Justice on the other hand should be viewed as obligatory, reflecting humankind's natural awareness of right and wrong. For this reason, helping others in their need may initially involve both justice and charity, but going beyond this would involve only charity. "Evidently, there is a grey (sic) line between the role of distributive justice and charity," and what may be charitable and just for one culture or one stage of economic development may simply be charitable for a more advanced culture exhibiting a higher standard of living.⁸⁹ Clearly, there exist a degree of discretion as to where justice stops and charity begins, and while the individual and society may not be obligated to go beyond this point, it would be a mistake to conclude that justice is by itself the objective of the just society. McKee writes:

It is an old teaching in Christian thought, that social peace is founded on the two pillars of justice and charity; the first removes the elements of friction, and second supplies the creative sources of union. Justice without charity becomes cold legality, giving rise to as much hostility as it may remove.⁹⁰

While technically a social virtue, justice can be thought of as the sixth and final social principle informing McKee's Christian economic thought. Defined as "a constant and perpetual will to render everyone his due." Justice resides "*subjectively* in the person as a quality" and is "reflected *objectively* in his actions."⁹¹ Justice, for this reason, exist apart from the motives of the individual. No individual, group or nation can be the arbitrator of what is due. Instead a higher moral standard is invoked, and "this spring's from a deep inner moral consciousness - divinely implanted, in the author's view's." McKee

writes:

For the Christian, like all virtues, justice is finally an attribute of God, the source and explanation of all righteousness in which we share in imperfect ways, and its measure is the divine law of God's plan for all creation. This marks a parting of the ways. If the source of justice and its reflection in rights and duties are sought elsewhere, in *only* intuition, humanistic instincts, social contract, or the will of a despot, et cetera, there is no sure or lasting point on which to take one's stand. No individual can be the justifying source of his own rights and duties, so that no group or purely human source can serve better. Instead, history shows that great movements or revolt against individual or social cruelty have always made their appeal not merely to the deepest roots of human nature, but also to some objective source and standard of right and wrong.⁹²

Deriving a working definition of justice is "neither as simple nor as clear a matter as one might wish." Rendering everybody his due can be interpreted in a precise sense as designating "exact equivalence between what is due and received" or in a more general sense as the "fulfillment of all that is right."⁹³ McKee refers to the former type of justice as *commutative* or *exchange* justice. "We have a deep instinct that what is agreed on should be exactly rendered, and our courts and industrial and commercial system insist on it." People, however, also dwell in a community, and this implies "common or community benefits and burdens." These also require a rendering of what is due, and McKee refers to the equivalency of shared benefits and burdens as *distributive* justice.⁹⁴ Finally, if rights in all individual and community domains are satisfied, the question arises as to whether or not the institutional arrangements of society are just. Aristotle spoke of a general virtue, a concept which the Scholastics interpreted as "legal" justice "(meaning not simply positive law but rather the reflection in practical affairs of Divine law, a much wider idea.)" From about 1850, modern writers have modified this concept to mean justice in social and economic arrangements, a concept now referred to as *social* justice. From a practical standpoint, social justice can be interpreted as "requiring such a structure and operation of economic and institutions as permit individual and community rights to be fully satisfied."⁹⁵

Exchange or commutative justice finds its most ready application with regard to the concept of just price. From a conceptual standpoint, just price "requires that equivalents be rendered in explicit and implicit contracts, since each party has the right to receive what has been agreed." In Scholastic thought, equivalency was established by disallowing "a higher price (*pretium*) than its value (*valor*) or worth (*quantitas*), though potential loss (*damnum*) of the seller or benefit (*utilitas*) of the buyer may occasion legitimate difference." Considerable controversy surrounds the interpretation to be accorded to such terms, but this is a question of interest "to historians of economic thought and it should be left to them." In any event, price determination in a modern economy involves a myriad of considerations, and it would be "absurd to expect some simple formula of the sort used by the medievalists and later canonists - general consensus, need, labor cost, or public regulation - to [provide] a simple answer."⁹⁶

In more recent times, it has been argued that the price corresponding to a perfectly competitive market structure reflects the Scholastic view "accurately enough." The problem with this latter view, however, is that perfectly competitive markets seldom exist in reality, and in all but rare cases prices will diverge from this ideal. More importantly, the determination of competitive prices in the absence of competitive market structure, what economists refer to as shadow prices, requires a knowledge of supply and demand and cost structure which seldom if ever exist in reality. Finally, few firms actually set prices in accordance with received theory, relying instead on experience and intuition as a guide, and this is reason enough to reject the notion of a competitive market prices as a basis for equivalency. McKee writes:

In the extreme case of perfect competition (firms are small so that none can affect market price, and product is identical so that a buyer has no reason to prefer one seller to another), one may argue that the ideal conditions supposed will produce most efficient output at lowest cost and price and minimum profit..... But an immediate difficulty is that perfectly competitive firms do not exist in reality, so that just price becomes unknowable and unattainable in practical situations. It appears contrary to good sense to

adopt a concept that is impossible of realization, leading us to abandon any attempt to know the excess demanded from us by unprincipled sellers. Then there are the general criticisms made of the theory of the firm: one has to suppose demand known (so as to equate the famous marginal cost and revenue), one supposes cost efficiency as given and profit maximization as the supreme goal, and operation over time is neglected.⁹⁷

Prices in modern market economy, McKee goes on to argue, are in reality established in a multitude of different ways. Some prices are "set auctionwise (say the stock exchange of cattle sales)," others reflect a socially established measure of "fair income (professional fees, for example)," others reflect the effect of government subsidies or regulation, and still others reflect the simple practice of marking up price by some generally acceptable percentage or amount. Competition plays, of course, a significant role in all of this, as does income distribution, market imperfections, state intervention, and "sheer chance and good luck."⁹⁸ All of these considerations are reflected in observed prices, but this still leaves us without a measure of equivalence. Since the price that would otherwise exist under perfect competition will simply not do, McKee settles on cost-plus pricing. "My conclusion," McKee writes,

is that it is much better to use the alternative cost-plus approach (where the firm adds a markup to cover a return on capital, et cetera, as is widespread practice in industry, trade and finance) to determining price; it is not only better theory, but accommodates the ethical problem of knowing just price much more easily.⁹⁹

Much has been written on how just price should be applied in practice, with discussion generally centering on the nature and measure of intrinsic value, a concept involving "not merely cost of production and subjective estimation, but also worth in the widest sense of welfare." While such considerations matter, "just price is simply actual price corrected for unethical accretions and exclusions." "This is economic value," and what intrinsic value "may mean when further senses of welfare are introduced is another matter."

"There is a just price for heroin on the street, even if such transactions should not occur."¹⁰⁰

From this, it follows that both buyers and sellers have a sense of what is just and unjust, even if the process by which prices are established "reflect judgment calls, disputes, and compromises." To deny this assertion, is to deny that people have a clear sense of justice, not only with regard to prices, but in all areas of life, an argument, which, at least from a Christian perspective, is clearly absurd. For this reason, it is not at all unreasonable to expect the realization of justice by way of the independent assessment of millions of prices at every stage of production and exchange. Commenting on this process, McKee writes:

Somewhat of a parallel is offered by the working of the free economy or, say, the plant or animal world. It is incredible that free agents could somehow coordinate their actions for the production and distribution of millions of commodities or that the billions of related events necessary for the flourishing of plant and animal life occur, yet these things are accomplished. Similarly the morally directed actions of a vast number of agents can realize commutative justice in practice; this we have to believe, since, like all virtue, justice *is* realizable and knowable everywhere it is in question.¹⁰¹

While just price is always knowable, complexities often arise with regard to its realization. In the case of many goods and services, justice may simply require the observance of long-standing cost-markup procedures. In the cases of other prices - most notably, wage determination, the process is considerably more complex, involving a reasoned assessment of socioeconomic principles, intermediate criteria, and a long and arduous negotiating process which attends such principles. Depending on the price under consideration, socioeconomic principles will include social and economic externalities, social valuation, necessity, nonprice considerations, the common good, and the welfare of the firm and the individual. Intermediate criteria will usually involve industry or institutionally specific information and will vary from one place to another and over time. The next stage and

final stage towards the realization of just price will often involve negotiation, compromise, and trade-off between conflicting goals and criteria.¹⁰²

Consider the process by which the employers and employee arrive at a just wage. As a starting point, McKee looks to the marginal productivity of labor as a rough approximation of the competitive wage. While acknowledging the problems associated with this theory - the circular nature of varying one factor of production while holding the others constant, the problems associated with measuring marginal product, and the dubious assumptions underlying the supply curve of labor - "most economists regard the marginal productivity theory as conveying an important truth (with which I agree) about wage and price determination." While many might object to the idea that "given shares of capital, management, et cetera" broadly establish how much workers contribute to final output, "our industrial and commercial experience in economies marked by private enterprise is that factors are paid what they are worth."¹⁰³

The marginal productivity of labor, however, is only part of the story. Exchange justice requires the rendering of what is due, and "certainly everybody believes a fair wage is due, not matter how the matter is put." "The basic Christian position," McKee goes on to declare,

is that labor cannot be separated from the dignity and welfare of the person, so that an amount consonant with decent minimal living standards must always be paid. It is not possible to view the matter as merely a market transaction, where supply and demand determine any outcome, however, low. As a virtue, exchange justice obliges the employer to respect his obligation, as it also requires the employee to render the work agreed on.¹⁰⁴

A number of ethical principles thus enter into the wage determination process. In addition to some socially acceptable minimal standard of living, a just wage will reflect the social valuation of the services rendered i.e. society may value the services of doctors more than that of say teachers; training, experience, and seniority; an allowance for

savings; the welfare of the business and society; and perhaps even distinctions based on family size and need, although McKee believes that this latter consideration falls within the domain of distributive justice. Finally, "one may also stress absence of discrimination on the grounds of race, sex. etc."¹⁰⁵

Ethical considerations are in need of "more detail," and these require intermediate criteria which will generally reflect the specific nature of the occupation, circumstances, time, place, and other considerations peculiar to the wage being determined. Example of intermediate criteria might include allowances made for particular fringe benefits (say, a family allowance program or 'free' education), evolving social valuations, improved working conditions, and changes in profitability. "Determining the just wage is .. not simply a static thing; over time, inflation, productivity improvement, altered standing of industries and classes of labour, et cetera, lead to a constant process of adjustment."¹⁰⁶

Finally, intermediate criteria give rise to the type of negotiating process played out countless times in advanced economies. "In each bargaining situation there have come to exist a large number of issues that must be settled, often in an adversarial context." This stage of the wage determination process often entails "strategies, maneuvers, confrontations, compromises, intervention of arbitrators, and et cetera.,"¹⁰⁷ and after everything is said and done the various considerations which go in determining a just wage "may end up in the hundreds of pages of labor management agreements." Yet, it is precisely through this process that social ethics, intermediate criteria, as well as other considerations such as supply and demand, government regulation, etc. are weighed and assessed, and while "the considerations and complications multiply, we still concede that just remuneration is roughly or justly ascertainable."¹⁰⁸

Finally, it is McKee's contention that the establishment of a just wage is "no different than that attending the application of other principles and virtues." McKee writes:

"Love your neighbor" is a command we understand quite well, which must be translated in the myriad details, not simply as emotion but in actions.

Correspondingly, the principles and criteria of a just wage can be validly applied, even though the lines blur, mistakes arise, and opinions will differ. The beginner's error is to think just wage and price require for practice some sort of divine determination of value?¹⁰⁹

In his paper "What is Just Profit?" McKee takes up the question of just wage, the price of capital, rent, just profit, and related considerations. While acknowledging that the owners of capital are entitled to its benefits, it should be remembered that the firm is a social institution, and this implies a responsibility to share with others in their need. This can be accomplished by "profit-sharing, public taxation, and by giving to others required initially by justice and subsequently by charity up to the point one's heart can bear." McKee also addresses the issue of just profit. While profit in the accounting sense should be viewed as a legitimate return to capital, the question is much more less clear in the case of pure or excess profits. However, even in this latter case, McKee sees a legitimate place provided such profit arises from unanticipated changes in demand coupled with unexpectedly low average cost. Finally, McKee views rent as denoted by "the return accruing to a factor in permanently or temporarily fixed supply" to be unjustified. "Hence, I join Henry George, no less, in thinking that society should get [rent] back in some way, with the qualification that applying the knife to peel away the social accretion be judicious, lest greater harm occur in some way to the community."¹¹⁰

The second type of justice identified by McKee is distributive justice. As suggested above, people are social by nature, living in cooperation with other individuals as part of a community, and this implies the sharing of burdens and benefits. Some have equated the sharing of burden and benefit with a just distribution of income and wealth, but McKee rejects this definition as operationally redundant. First, wage determination, income taxes, fringe benefits, etc. play an important role with regard to income determination, but wages, as we have seen, fall within the domain of exchange justice. Second, the distribution of income and wealth are not easily separated from prevailing socioeconomic arrangements, and this falls within the domain of social justice. Finally, "justice is primarily a

virtue, so that if you take specific action to ensure equitable distribution to everybody, an impossibility complex role for narrow justice is created."¹¹¹

As an alternative, McKee defines distributive justice as requiring a "fair sharing out of community benefits and burdens among members,"¹¹² a responsibility which in practice is generally limited to the tax and spending decisions of government, "though there is also the sharing out of offices, privileges, civic recognition, and the like."¹¹³ Taxes, according to this definition, would represent a just sharing of community burdens, establishing that those in a position to help others are obligated to do so. Government spending represents the sharing out of community benefits, taking into account that the needs of some individuals are greater than others. Government thus assumes an organic role, with the responsibility of distributing burdens and benefits falling squarely on the shoulders of government officials. McKee writes:

In the modern state what are primarily in question in the economic domain are public and merit goods and the means of financing them. At bottom, distributive justice is a form of virtue, of course, concerned with human behavior, even if, as in all talk about justice, we tend to focus in a natural way on the reflection in practical affairs of behavior. Accordingly, the obligation to ensure distributive justice falls primarily on those in authority; citizens, for their part, have the duty in social justice (its origins as "legal" justice makes the point clear) of complying with the just decisions of government and its executive arm.¹¹⁴

The setting forth of general principles is only the first step towards the realization of distributive justice. The second step is the specification of "intermediate principles ... respecting taxation and the provision of public goods." With regard to taxation, McKee views "equality of sacrifice" as the criterion which most closely conforms with an equivalent sharing of burden. Going beyond this principle, however, the problem arises as to how best to measure equality of sacrifice. One such measure is "capacity to pay," but this provides no sure basis for moving beyond proportional taxation. Another measure is "pain-cost," but this is predicated on an operationally vague comparison of interpersonal utilities.

Given such problems, McKee approaches the issue from the standpoint of "moderate realism," an approach which is neither purely objective, as in the case of capacity to pay, nor purely subjective, as in the case of pain-cost.¹¹⁵ Commenting on this position, McKee writes:

My own positions in such questions is steadfastly that of "moderate realism": rising income must without purists qualifications be simply taken as signifying ability to bear proportionately larger tax. Government has no choice but to adopt imprecise methods to equate tax burden in an approximate manner, using progressive rates to accomplish this, and the degree of progression it applies to accomplish fairness will vary over time. If the Platonic or absolutist approach in economic analysis is uncomfortable with this, I merely comment that economics is surely for actual life, not the other way around.¹¹⁶

With regard to public spending, McKee makes a distinction between goods which are available to all, such as defense spending, and those goods which are provided on an "as required basis," such as unemployment compensation. Distributive justice provides a rationale for providing the latter type of good, even though a large proportion of the population may never qualify as recipients. Secondly, it may be necessary to provide a "proportional and progressive allocation of benefits" based upon need or some other criteria. Distributive justice once again provides a rationale, suggesting that a fair sharing out of benefits corresponds to the needs and necessities of the recipients. "Everybody is entitled to a similar share in defense and protection of property, but different welfare recipients may be entitled to different levels of benefit."¹¹⁷

The last and final step is to move from intermediate criteria to actual application, and it here that one witnesses the "the process of determination being accomplished by the usual phenomena of a free democracy - a measure of basic honesty, compromises, anomalous decisions, lobbying, political gamesmanship, and the rest." As examples McKee cites the recommendations originally set forth by the 1969 Canadian commission on taxation which after much discussion and revision were adopted two years later, and the

Canadian medicare system which in its final form reflects the countervailing interest of national and regional governments, insurance companies, the medical profession, and those who stand to gain from the system and those who do not. In both cases, we observe how "distributive justice finally translates itself into detail beyond basic concept and intermediate principles; law, committees, compromise, quarrels, pressure groups and more have their parts, which is simply the reality of how justice emerges into detail in the human affairs of a free society, a process which should arouse neither the scorn of would be quantifiers of some a social contract process nor the despair of reformers."¹¹⁸

The third and final type of justice identified by McKee is social justice. The term social justice was evidently used for the first time around 1850 in "connection with the social question that set in with advancing industrialism and concern for the position of the poor and disadvantaged." As a concept, however, the idea of a general virtue taking in the "whole of virtuous behavior" was advanced by Aristotle in his *Nichomachaen ethics*, and later redefined as "legal" justice by Aquinas. McKee, however, finds both concepts lacking: "general justice [in the Aristotelian sense]," he writes, "can have no operative requirements itself, neither specifying nor requiring particular actions," and "'legal' justice in the medieval sense now means courtroom justice," a concept which fails to convey the full operational meaning of the term. During the Twentieth century, writers such as Ferree and Cronin equated social justice as a virtue representative of a desire to promote the common good. Both of these latter approaches, however, fail to provide an equivalence between obligation and act that is typical of strict justice"¹¹⁹

As an alternative, McKee defines social justice as the formation and operation of those social and economic institutions which permit the full realization of individual and community rights. Individuals are obligated to assist in this effort and failure to do so would constitute a breach of equivalency, or social *injustice*. McKee writes:

... social justice may be taken as equivalent to the old concept of general justice, to mean the seeking of what is right in all one's social dealings.

With some care it may also be equated with the mediaeval concept of legal justice, understanding by this not merely positive law but the wider fulfillment of the natural (moral) law. Used in this sense social justice would be primarily reflected in the establishment of just laws, regulations, and order in also social domains, not merely governmental but including unions, enterprises, nonprofit organizations, clubs, et cetera. Its end result, therefore is the setting up of just institutions and their proper operation, not that this implies identical structures in so many disparate societies. Taken next in a narrow sense, the obligations of social justice include the duties of all individuals and groups to *contribute* to the right structure and functioning of institutions so as to enhance the common good.¹²⁰

Social justice as defined here is quite encompassing, touching upon practically all elements of the economy. Social justice becomes something of "a catchall extending to its organization and operation." Organizational structures or institutions can be evaluated in a number of ways starting from say a more general classificatory schema such as production, distribution, exchange, and consumption, or a somewhat less general classification including primary, secondary, tertiary industry, and then discussed in terms of its implementation. The formation and operation of institutions would be the primary focus, since they "mold and convey the benefits and harm of human behavior." Government, financial institutions, security markets, factories, consumer associations, etc. could be assessed on the basis of how individuals and groups contribute to their right structure and functioning, with recommendations made concerning further institutional change. "If instead you take social justice in the narrow sense of the contribution required from all in the situations in which they find themselves, again you open for consideration the entire economy, now from the side of individual obligations."¹²¹

Finally, McKee raises the issue of the joint realization of all three types of justice as well as other virtues and how this might engender the type of idealistic environment most closely associated with the unfolding of the Christian mind. Consider the modern automobile factory. The realization of exchange justice would, in this case, engender the payment of fair wages and benefits to all employees. Distributive justice would be

reflected in the fair sharing out of common burdens and benefits, with the company, union, committees, etc. assuring a just distribution of work load, bonuses, privileges, etc. Social justice would be evident in organizational changes and factory design as well as assistance provided by both management and labor towards making such changes. Other virtues such as charity, love, benevolence, generosity, and liberality would create a bond of fellowship, a result for which "narrow justice is a necessary but not a sufficient cause." Finally, if all these are virtues are allowed to flourish "among shareholders, controllers, management, administration, workers' union, and all concerned" social justice in its fullest sense would be fulfilled. "Idyllic and even incredible, but this is indeed the meaning of social justice understood as a Christian ideal."¹²²

6. Conclusion

In the concluding chapter of his book *Economics and the Christian Mind*, McKee identifies "economics from the perspective of the Christian mind" as the central objective of his efforts. The Christian economist must take a resolute stand for Christ, putting "aside the compartmentalization of mind so widely practiced" and setting about the "difficult task of integration, bringing together whatever truth and goodness may be found in different domains of truth and knowledge." Blessed with a "genuine religion and the habits of mind," the Christian economist is in an ideal position to set forth "a social philosophy flowing from Christian premises" and to apply the "the interpretation it offers of community and individual life" to the political, social, and economic domains.¹²³

Despite the explicitly Christian approach adopted by McKee, he rejects the idea of a specifically Christian approach to economics. Since modern society is comprised of many different religions and people from diverse backgrounds, the insistence on an explicitly Christian approach "tends to turn off sympathy and understanding and possibilities for common action." More fundamentally, neither Catholicism nor Christianity is the only "road to God" and there is no reason to believe that there exists only one "basis of

religiously oriented social doctrine." "All true religion leads to God," and there are many different approaches to the "authentic principles of individual and social life," despite the arguments set forth by protagonists who "hold that their approach alone offers its plenitude."¹²⁴

Christian economists, for this reason, should seek to ally themselves with like-minded dissenters who approach their subject from a noncompartmentalized perspective, eschewing "the deceptions of positive theory and secularist premises." Social economics is ideally suited to such a purpose, providing a means by which to introduce values into the inner workings of economic science. Social economics can also be fashioned so as to avoid scientism, while emphasizing minimal standards of health, education, and habitation, income and wealth distribution, and basic economic and human freedoms. "To put this another way, the basic problems that must be solved in any economy - what to produce, how to produce, and how to distribute and exchange - would be solved in ways consonant with human dignity, in our lives as individuals and as members of the family, local and national society, and also the international community."¹²⁵

McKee's objective, however, is not to demonstrate the advantages of social economics or social economy, the latter defined as "the intermediate area between social economics and social ethics," but rather to "seek out the implications of the central beliefs of Christianity for economic institutions and their operation in a free society." While personal economic freedoms, private property and enterprise, competition, human rights and social obligation may arise from other religions or beliefs systems, this does not imply that such principles will comport with all religions and belief systems. Socialist principles do not lend themselves to many such principles. "As for economic science, its nature and aims along with methodology, are in need of revision before harmonization with properly Christian thinking is possible." McKee continues:

At a former time, we were able to live with an autonomous economic science standing on conventionally accepted bases, with value judgements

modifying conclusions as their adherents chose. But the rift with Christian thought has become so sharp, the crisis of society such, that for those who put religious premises in first place it is now necessary to dissent openly and strongly.¹²⁶

Economic science has undergone close scrutiny over the past twenty-five years. Discussion has focused partly on methodology, partly on epistemology, and partly on the "more fundamental issue of what knowledge we may ever acquire." Yet, "if you read patiently through numerous writers, you soon notice that for all their interest in truth about economic knowledge, they have little or nothing to say on what truth may be in some absolute sense or what economic reality may finally be. "If interested in a Christian approach to truth, you are painfully aware that anything which would raise theological or divine questions has no place." What we have here is a consensus on the part of those who discuss such issues "to excise whatever smacks of religion from their discussion and to remain entirely on a humanist-secular plane." For this reason, the type of methodological critiques and revisions suggested by such writers as Popper and Feyerabend "remain fundamentally incomplete and falsified."¹²⁷

In the final analysis, a "standard of truth" must serve as "an overarching criterion to judge all that is human," and it here that the McKee invokes the knowledge and truth associated with his faith. "For Christians it is Jesus alone who is the Truth, the eternal word spoke by the Farther, the one standard by which all truth and knowledge are finally measured." Insofar as secular knowledge fails to acknowledge this truth, "it can never properly attain its object." Methodological and epistemological inquiries, McKee concludes, "must remain flawed to the extent that they do not acknowledge in some due way the authorship of God and lordship of His Son." "As history tells us from the past, as it will show again, Christianity endures and what leaves it aside perishes sooner or later, since only what is divinely sustained is lasting in this world." ¹²⁸

Footnotes

- 1 McKee, A.F., *Economics and the Christian Mind*, New York, NY: Vantage Press, 1987, p. xii.
- 2 *ibid.*, pp. xii-xiii.
- 3 *ibid.*, pp. 30-31.
- 4 *ibid.*, p. xiii.
- 5 *ibid.*, p. 24.
- 6 *ibid.*, p. 33.
- 7 *ibid.*, p. 34.
- 8 *ibid.*, p. 32.
- 9 *ibid.*, pp. xiv-xv.
- 10 *ibid.*, p. xiv.
- 11 *ibid.*, p. 22.
- 12 *ibid.*, p. 120.
- 13 *ibid.*, p. xv.
- 14 *ibid.*, pp. xviii-xix, 1-2.
- 15 *ibid.*, p. 1.
- 16 *ibid.*, p. 1.
- 17 *ibid.*, pp. 3-4.
- 18 *ibid.*, pp. 6-7.
- 19 *ibid.*, p. 7.
- 20 *ibid.*, pp. 8-9.
- 21 *ibid.*, pp. 10-11.
- 22 *ibid.*, p. 12.
- 23 *ibid.*, p. 13.
- 24 *ibid.*, pp. 13-14.
- 25 *ibid.*, p. 14.
- 26 *ibid.*, p. 18.
- 27 *ibid.*, pp. 19-21.
- 28 *ibid.*, pp. 19-20.
- 29 *ibid.*, pp. 20, 22-23.
- 30 *ibid.*, pp. 23-24.
- 31 *ibid.*, p. 25.
- 32 *ibid.*, p. 20.
- 33 *ibid.*, pp. 34-35.
- 34 *ibid.*, p. 35.
- 35 *ibid.*, p. 123.
- 36 *ibid.*, p. 119.
- 37 *ibid.*, p. 124.
- 38 *ibid.*, p. 120.
- 39 *ibid.*, pp. 124-125.
- 40 *ibid.*, pp. 126-127.
- 41 *ibid.*, pp. 127-128.
- 42 *ibid.*, pp. 131-133.
- 43 *ibid.*, p. 136.
- 44 *ibid.*, p. 134.
- 45 *ibid.*, p. 158-160.
- 46 *ibid.*, p. 135.
- 47 *ibid.*, pp. 139-140.
- 48 *ibid.*, pp. 119-120.
- 49 *ibid.*, p. 145.
- 50 *ibid.*, p. 146.

- 51 *ibid.*, p. 140.
 52 *ibid.*, p. 150.
 53 *ibid.*, pp. 135-136.
 54 *ibid.*, p. 137.
 55 *ibid.*, p. 154
 56 *ibid.*, p. 148
 57 *ibid.*, pp. 155-156.
 58 *ibid.*, pp. 41, 102.
 59 *ibid.*, p. xix.
 60 *ibid.*, chapters 3 and 4.
 61 *ibid.*, p. 182.
 62 *ibid.*, pp. 42-43.
 63 *ibid.*, p. 58.
 64 *ibid.*, pp. 58-59.
 65 *ibid.*, pp. 64-65.
 66 *ibid.*, pp. 64-65.
 67 *ibid.*, p. 59.
 68 *ibid.*, pp. 67-68.
 69 *ibid.*, pp. 65-66.
 70 *ibid.*, p. 63.
 71 *ibid.*, pp. 70-72.
 72 *ibid.*, pp. 43-44.
 73 *ibid.*, pp. 59-60.
 74 *ibid.*, pp. 45-47.
 75 *ibid.*, pp. 48-49.
 76 *ibid.*, pp. 48-49.
 77 McKee, A.F.. "That "Natural" Right to Private Property." *Review of Social Economy*. Winter, 1991.
 p. 485.
 78 *op cit.*, *Economics and the Christian Mind*, pp. 49-50.
 79 *ibid.*, p. 60.
 80 *op cit.*, *Economics and the Christian Mind*, p. 60.
 81 *op cit.*, "That "Natural" Right to Private Property." p. 486.
 82 *op cit.*, *Economics and the Christian Mind*, p. 61.
 83 *op cit.*, "That "Natural" Right to Private Property." p. 484.
 84 *ibid.*, p. 484.
 85 *ibid.*, p. 489.
 86 *ibid.*, p. 490.
 87 *ibid.*, p. 483.
 88 *op cit.*, *Economics and the Christian Mind*, p.51.
 89 *op cit.*, "That "Natural" Right to Private Property." p. 492.
 90 *ibid.*, p. 490.
 91 *ibid.*, p. 52.
 92 *ibid.*, pp. 52-53.
 93 McKee, A.F.. "What is "Distributive" Justice?." *Review of Social Economy*, Winter, 1991, pp. 2-3.
 94 *op cit.*, *Economics and the Christian Mind*, p. 53.
 95 *op cit.*, "What is "Distributive" Justice?," p. 3.
 96 *op cit.*, *Economics and the Christian Mind*, pp. 72-73.
 97 *ibid.*, p. 73.
 98 *ibid.*, p. 74.
 99 *ibid.*, p. 74.
 100 *ibid.*, p. 75.
 101 *op cit.*, *Economics and the Christian Mind*, p. 75.
 102 *ibid.*, p. 102
 103 *ibid.*, pp. 102-103.

- 104 *ibid.*, p. 104.
- 105 *op cit.*, *Economics and the Christian Mind*, pp. 105-106; McKee, A.F., "What is Just Profit?" *Review of Social Economy*, Summer, 1989, p. 172.
- 106 *op cit.*, "What is Just Profit?" p. 174; *op cit.*, *Economics and the Christian Mind*, p. 106.
- 107 *op cit.*, *Economics and the Christian Mind*, p. 106
- 108 *op cit.*, "What is Just Profit?" p. 174.
- 109 *op cit.*, *Economics and the Christian Mind*, p. 107.
- 110 *op cit.*, "What is Just Profit?" pp. 174-181.
- 111 *op cit.*, "What is "Distributive" Justice?" pp. 2-5; *op cit.*, *Economics and the Christian Mind*, p. 75.
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- 115 *op cit.*, "What is "Distributive" Justice?" p. 7.
- 116 *ibid.*, p. 7
- 117 *ibid.*, p. 8.
- 118 *ibid.*, p. 9.
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J. David Richardson

1. Introduction

J. David Richardson is one of growing number of Christian economists who believe that Christians should work within rather than on the periphery of modern economic science. Born on February 3, 1945, Richardson received his B.A. from McGill University in 1966 and his Ph.D. from the University of Michigan in 1970. As a specialist in international trade he has published numerous articles and books pertaining to trade policy, trade adjustment, balance of payments, product elasticities, welfare economics and efficiency, economic displacement, international competitiveness, and disequilibrium dynamics. He has taught at the University of Wisconsin and has served as a consultant and visiting scholar for various private, governmental, and quasi-governmental organizations. He currently serves as visiting fellow at the Institute for International Economics and holds the position of professor of economics at the Maxwell School of Citizenship and Public Affairs at Syracuse University.

In addition to his work as a professional economist, Richardson has served as a functionary or in an advisory role for a number of associations or organizations which seek to integrate faith and learning. He is an active member on the academic advisory committee for the Economic Education of the Clergy; has served as both vice president and president for the Institute for Advanced Christian Studies; and, until recently, has served as president of the Association of Christian Economists (ACE).

2. Christianity and Economics

2.1. The Role of the Christian in Professional Economics

Richardson's efforts to integrate faith and learning attest to his belief that Christianity is relevant to our understanding of modern economics. As president of the ACE he has had an opportunity to mediate and partake in a number of discussions centered around

the faith and learning debate. While he has written less on the subject than other Christian scholars, his ideas have generated considerable discussion within the association. The methodological debate he helped to initiate in 1987 was the principal topic of discussion at the most recent meeting of ACE held in Boston in January 1994.¹

2.1.1. The Christian Economist and Professionalism

The first and foremost priority, in Richardson's estimation, is for the Christian economist to be a good economist. The issue is not so much how Christianity informs economics, but the level of professionalism Christian economists should endeavor to maintain in a largely secular academic environment. In an recent address to the ACE, he writes:

I aim in this paper to persuade my audience that professional economics is worth doing as a disciple of Jesus, and worth doing well.

Lest readers misinterpret that aim as a limp endorsement, let me clarify. I mean that mere professional economics is worth doing well for Christ's sake.²

In an earlier article, he writes that Christian economists should "do the very best economics they can, serving the profession wholeheartedly, as if they were serving the Lord, not men." "This is important," he goes on to write:

not only for the obvious parallel with Scripture, but also because of the manner of discussion of ideas and influence through the profession. Ideas and influence filter from the most scholarly economists in the highest-ranked academic departments in the most dynamic fields down toward others of us in outlying departments and less engrossing fields.³

Richardson is not suggesting that a high degree of professionalism is the Christian economist's only responsibility. Quite the contrary, for he believes that the discipline lends itself to a number of areas which hold great promise to those who desire to integrate their faith and scholarship. His concern, however, is that amateurish or poorly conceived efforts on the part of well-meaning Christians, irrespective of their specialization, may do as much

harm as good, leading more serious-minded scholars to conclude that Christian economics is more window dressing than professional scholarship. "I cringe," he writes, "at the fear that our presentation of the real truth is mocked and dismissed by our incapacity to present any earthly professional truths in a persuasive, reputable way, and by our cavalier disdain for rendering proper tribute to our professional Caesar."⁴

Professional acceptance according to Richardson is best achieved through a focused approach which accentuates the specialized skills and knowledge of the Christian as an economist rather than as a social philosopher or economic commentator. Unlike a number of other Christian economists, Richardson does not look upon disciplinary specialization as a liability. The Christian economist who specializes in what he does best has, in his estimation, a much greater influence on his nonbelieving colleagues than does someone whose efforts are so diffused as to significantly diminish his or her contribution in any particular area. "As an economist," he writes, "I see no way of doing that well without sacrificing either the quantity or quality of my skills as a professional economist."⁵ It is better, he goes on to declare, to be a very good specialist than a very average generalist. Paul, Daniel, and Moses, Richardson were all known for the high level of expertise they attained in worldly affairs. "I hope, he writes, "that I will be judged as faithful as they were." "But," he adds, "it won't be my judgment."⁶

Richardson is not suggesting that a synthesis of philosophy, theology, Biblical studies, history, sociology, economics, etc. makes for bad economics, nor is he suggesting that all Christian economists should aspire to be specialists. What he is opposed to, however, is the belief that Christian economics necessitates multidisciplinary scholarship - the belief that Christian economists *quo* Christian economists should endeavor to integrate elements of economics, theology, philosophy, history, etc. into one overall thematic approach. This belief, he asserts, has led to the diffusion and marginalization of Christian economics, inducing too many Christian economists to forego what they do best, or what they have a comparative advantage in, to pursue interest which are "too shallow, too

rhetorical, too taxonomic, too dusty, musty, and fusty [when compared] to what modern economists [are] really doing."⁷

2.2. The Christian Economist and Stewardship

Professional acceptance is, of course, not the only reason why Christians should endeavor to be economists. Richardson cites a number of other reasons as well, including stewardship, "sign," "substance," and "style." The first of these, stewardship, is implicitly represented in the efficiency and rationality arguments suffused throughout much of modern neoclassical economics. "Economics," Richardson writes:

was born at the Fall. Not only did the resources necessary to meet human needs become scarce and grudgingly available, but humankind succumbed to the competitive desire to be like God, unlimited in attainment, achievement and power. The confrontation of unlimited desires with scarce resources forced men and women into regrettable choices called (after many millennia) trade-offs.⁸

Economics, he goes on to declare, is the study of such trade-offs, or in his words, "the science of decision making under scarcity."⁹ Those decisions which 'economize' on scarce resources are held to be efficient, those which 'waste' scarce resources, inefficient. Decisions of the former type serve the interest of the individual and are held to be rational; decisions of the latter type fail to serve the interest of the individual and are deemed irrational. "Efficiency and rationality," he concludes, "are stewardship principles aimed at the conservation of resources," and this by itself presents enough "good works for [Christian] economists to do by sight, faith notwithstanding."¹⁰

2.3. The Christian Economist as a "Sign"

A third reason why Christians should specialize in economics is that they represent a "sign" to nonbelievers. Economics represents a "wonderful discipline within which to display the gospel." It must surely come as a surprise, he declares, to learn that "arid, covetous, competitive, merciless" practitioners of economics are motivated by the gospel

of Jesus Christ, and when the news they proclaim is accepted it "always delights and deeply satisfies."¹¹ Modern economics - unlike a number of other disciplines such as philosophy, theology, history, and literature - is not naturally conducive to the showing (signing) of the gospel. But this is all the more reason why Christian economists should look upon their profession as a beacon by which to proclaim the good news of Jesus Christ. Commenting on the influence that practicing Christian economists could have within the profession, Richardson writes:

I wish for the sake of the faith and the profession that more believers were committed to being numbered among the apostles of modern economics... I wish that secrecy and the jealousy that festers over proper credit for ideas and influence would be gracefully superseded by forgiving spirits and the proprietary casualness of those who understand that in Christ alone are all the treasures of wisdom and knowledge. If my wishes were ever to come true, that would surely be a bright light shining on a dark scholarly hill. There would be economic benefit as well. Scholarship itself can be supplied to its demanders quickly and with much smaller resource cost when trust is high and transactors love each other enough both to challenge and to forgive.¹²

2.4. The Christian Economist and the Substance of Economics

In addition to professionalism, stewardship, and "sign," Richardson believes that there are substantive reasons why Christians should specialize in economics. "The substance of many branches of economics," he writes, "ought to appeal strongly to believers and provide areas where we (unlike secularists) can make unique contributions."¹³ Christian economists, for example, may find nonmarket transactions such as those made by families, communities, firms, unions, and nations to be especially interesting and well-suited to the application of established Christian principles. Such fascination should come from the Christian's understanding and interest in issues relating to human nature and relational incentives.

Christians also bring with them a keen recognition of the incentives for sin and the incentives for redemption. Orthodox economics often fails to consider the plight of the

economic loser, who because of sin stumbles and fails in the market place. Are there opportunities for economic redemption? If so, how might such redemption avail itself, and how might the individual, institution, or society benefit from such redemption? These are questions which are central to the Christian faith and they touch upon issues which the Christian scholar, more than others, has an abiding interest. Such questions serve a legitimate economic purpose as well. "Many economists," Richardson notes, "recognize the sampling bias that is created when 'losers vanish' and 'winners remain' to be surveyed."¹⁴

Other substantive issues identified by Richardson include law and economics, especially as it relates to self-enforcing contracts and revelation principle. As a foundational belief system underlying social ethics, values, and numerous institutional structures, Christianity has much to say about such issues, and who better than the Christian economist, declares Richardson, to get the word out. Christian teachings are also relevant to our understanding of: asymmetric information and the role of honesty and deceit in market decisions; communal vesting of property rights and the responsibility of individuals and institutions to the community; nonmarket solutions to market failure as they relate to the environment (creation) and health provision (life); comparative economic systems and the role of various world religions and beliefs in economic and social development.¹⁵

2.5. The Christian Economist and "Style"

The fifth and final reason why the Christian should endeavor to be an economist is "style." "Christians," Richardson writes, "have a wonderful opportunity to do economics 'stylishly' - with winsome style."¹⁶ It is not only what Christian economists do which sets them apart from nonChristians, but the way in which they do it. It has been Richardson's experience, however, that a great deal of Christian commentary on economics is "long on ideology and short on integrity." This is unfortunate for only by cultivating a reputation for "definitive, documentary, empirical, and historical work" on a wide spectrum of relevant, controversial issues that Christians can demonstrate to their colleagues that "we do

not fear fact."¹⁷ This, he adds, can be accomplished without relying on the abstract, impersonal methods employed by others in the profession. There exist a variety of methodological methods, such as interviews, longitudinal studies, and experimental economics, which are social in orientation and well-suited to the Christian's relational temperament.

But style involves much more than methodology or technique. Christians, Richardson writes in a later address, are endowed with certain insights which afford them with a unique perspective on life - an understanding which gives their ideas and presentation a depth and meaning commonly lacking in secular circles. "We of all people," Richardson writes,

ought to be doing: economics with a heart, because our Lord has written a new covenant in blood on ours; economics as if people mattered, because he so loved the world of peoples; collaborative economics, because we compete with each other to honor each other; social and institutional experimentation, and other experimental economics, by hope and faith; economics of rich nuance, texture, and documentation to reassure our colleagues that we love the Lord with our scholarly minds (as commanded) and not just with our emotions.¹⁸

3. Economics and Christian Sensibilities

Despite Richardson's strong endorsement of the Christian's role in economic science, he is aware that there is much about secular economics which does not comport with the Christian view of man and society, and that this constitutes a potential obstacle to would be Christian scholars and scholarship. In his first article on the subject of Christianity and economics, he discusses the nature of such differences, identifying at least three ways that the foundational premises underlying these two alternative modes of discourse fundamentally differ, and how such differences account for an incomparability of perspectives. In a later article, he argues that recent trends within economic science have made such differences much less notable and much less offensive to Christian sensibilities, providing many of the same opportunities for fruitful research, but with less odious assumptions, greater realism, and greater diversity of motives and behavior.

3.1. Philosophical Distinctions

In "Christian Doubts about Economic Dogmas," Richardson identifies what he considers to be the three most prominent philosophical distinctions between Christianity and economics. The first, involves a fundamentally different perspective on human nature and economic behavior; the second, concerns dissimilar views on economic systems; and the third, concerns the misrepresentation associated with Christianity as an instrument for social control and conservative apologetics.

The secular view of economic man, Richardson argues, is clearly at odds with Christian sensibilities concerning the nature of man. While opinions obviously vary within the Christian community, most Christians, according to Richardson, hold the materialistic, egocentric, immoderate view of man posited by economic science to be something of a fiction. It is not that Christians deny that such behavior occurs or that it motivates a great deal of economic behavior. The perception, however, is that such an extreme characterization is incomplete. "Even unredeemed person," Richardson writes, "are not just materialistic, egocentric, immoderate and nothing more." The Bible, he declares, is clear on this issue: 'Man cannot live on bread alone.' (Mt. 4:4; Deut. 8:3 - both TEV).¹⁹

NonChristian economists, writes Richardson, "recognize the inability of the logic called economics to explain all human behavior." Christians, however, take this critique one step further arguing that happiness is ultimately derived through a personal relationship with Jesus Christ. "When men and women draw close to God through Jesus Christ," Richardson writes, "He inhabits them in such a way that the most important things to them in life are *not* material." "Christians," he goes on to write, "are able to look beyond themselves to other men and women around them, see them through God's eyes and love them in imitation of his love." The "materialistic, egocentric, immoderate nature of man," he concludes, gives way to a "new nature," a system of beliefs and mode of behavior which finds little parallel in secular thought.²⁰

The second distinction identified by Richardson is the incomparability between Christian and economic perspectives on economic systems. Secular economic science commonly portrays economic systems as being either market driven, collectivized, or some combination of the two. "On the far right within economics," he writes, "are the defenders of 'economic individualism,'" a system dictated by the workings of the market, ownership of private property, and minimal government interference. Defenders of this position believe that markets, and not policy decisions dictated by government or any other decision making body, are the best way to allocate economic activity. It is further maintained that "under certain conditions, an economic system based on private property, markets and voluntary transactions maximizes the material goods available to the system as a whole."²¹

Proponents of economic collectivism, on the other hand, doubt the realism of such conditions and the general validity of the free market argument. Individualism and the concomitant system of markets and private property, according to the collectivist view, almost invariably results in a large number of economic losers - people who are forced to make involuntary economic decisions and accept unfavorable economic outcomes irrespective of their wishes or efforts. From the 'collectivist' point of view, writes Richardson,

Losers, don't have the strength, wealth, position, intelligence or aggressiveness that winners have. The result for the losers is a cycle of indignity, weakness, dependence, poverty and exploitation that leads to alienation from the winners, and to bitterness, sullenness and lack of self-respect. That vicious circle is perpetuated from generation to generation.²²

Such a situation is clearly immoral, representing little more than a "license" or "freedom to exploit." The only solution is for government to take whatever measures are necessary to assure a 'fair' distribution of wealth, consumption, and opportunity.

The Christian perspective of economic systems, according to Richardson, is quite different from the 'individualist' and 'collectivist' views presented above. At first glance this

may seem counterfactual: Christians, after all, represent a vast diversity of views and many have adopted positions which are comparable if not identical to the secular positions noted above. Moreover, those who hold to such positions are adamant that their respective position represents the one true interpretation of Christian social teaching, and they support this contention by citing the appropriate biblical passages. Richardson, however, is not convinced. The problem with this type of exposition, he suggests, is that it is premised on a selective and often self-serving interpretation of Scripture - super imposing an alternative belief system upon Scriptural text where none formerly existed. "I am afraid," he writes, "that both [views] have 'added to the Christian faith' what does not belong - in a way that Scripture explicitly prohibits."²³

Since the Bible lends supports to *both* types of economic systems it is clearly impossible to identify one and only one as being the appropriate system under all circumstances. Judaic law explicitly establishes the ethical and legal rules governing market transactions between private employers of labor, private lenders of financial capital, individual farmers, etc. Are we to conclude from this that all economies are to be established on the basis of private ownership? If so, then how do we account for those instances when Scripture lends support to a collectivized approach to society, such as the collectivization of property by Joseph during the great Egyptian famine or the collectivization of goods and property as recorded in the book of Acts? What is clear, according to Richardson, is that both types of economic systems found approval under different circumstances, and to suggest otherwise is to add to rather than to interpret Scripture.²⁴

While the Bible may be equivocal concerning types of economic systems, it is "evenhanded in its disapproval of economic systems." Irrespective of the type of system considered, exploitation of the weak by the strong is indicted, whether it be by individuals as in the case of a market economy or by those who govern as in the case of economic collectivism. Such evenhandedness, Richardson writes, "reveals that the most important economic imperative in the Christian faith relates to the ways that individuals treat

individuals and that groups treat groups under any economic system - wherever it lies along the continuum between individualism and collectivism."²⁵ The emphasis here is not on the type of economic system, but on the relationships which take place within an economic system. It is the hope of Christians, Richardson writes, "that such biblical economic imperatives for *relationships* will be observed in every economic system."²⁶

The foregoing discussion leads directly into the third area of philosophical dissimilarity identified by Richardson; namely, the role of Christianity as a justification for self-serving social attitudes. It has been an oft repeated charge "that the Christian faith (especially in the West) has been used to justify attitudes towards work, property and the environment which have caused significant injury and suffering." This is unfortunate, for while the validity of such charges is beyond question, evidence to this effect says little about Christian social thought and doctrine. "The Christian faith," Richardson writes, "has not been *used* to justify those attitudes, but *abused*."²⁷

As examples of such abuse, Richardson points to apologetic and nonChristian views of the so-called Christian "work ethic" and private property. In both cases, conservative proponents have abused Christianity so as to advance a largely nonChristian social philosophy. This in turn, has led a number of nonChristian social commentators to equate Christianity with among other things the belief that property is the right of the propertied classes; the view that poverty is the 'just desert' of the impoverished; and the belief that the environment is to be treated as the propertied class sees fit.²⁸

The Christian response to all of this, writes Richardson, is a resounding "not guilty." The Scripture does not, as some might believe, suggest that salvation can be acquired through hard work or effort, nor does it suggest that material wealth is always the product of diligent effort or ambition. Many prosperous people find favor in God's eyes, but there again so do many poor people. Prosperity, Richardson declares, should be viewed as a gift and an unmerited gift at that. What we have, we have because God permitted it to be so. Indeed, the foregoing view of rights and ownership, he goes on to

suggest, is a characteristically non-Christian view. "All property," Richardson writes, "is the Lord's. We are at best only temporary stewards of it under his watchful eyes and under his ultimate judgment."²⁹

3.2. Misconceptions Surrounding Modern Economics

It is Richardson's fear that the foregoing philosophic dissimilarities as well other more immediate concerns such as an emphasis on mathematical rigor, emasculation of method, narrowness of priorities, etc., have made the study of economic science a daunting and unappealing option to prospective Christian scholars. While such reservations are clearly understandable, there is much about economics which the Christian scholar would find to his liking. More importantly, the trend in secular economic thought is away from the oversimplified, stylized version of economic man and society, which many Christians find so disturbing, to a much more realistic view which emphasizes the limitations, errors, and communal orientation inherent in many types of economic endeavor.

In making his case, Richardson relies on metaphorical exposition, equating economics to fine wine. Similar to wine, there are different vintages of economics: some are better tasting, richer, more full-bodied, and some are not. Recent vintages in economics are clearly superior to vintages of the past, making the discipline much more palatable to the Christian scholar's discerning taste. "Economics," in his words, "is in a state of healthful ferment." He continues,

Most of the new wines are excellent quality, and ought to be especially appealing to the palates of Christian scholars. There are still large stock of choice vintages in case the new turn unexpectedly to vinegar. And some of the least palatable wines of the past are being properly consigned to the deepest cellars.³⁰

Among the new wines which Christian scholars may find especially appealing include "bounded rationality" and "rolling equilibria," concepts which, in Richardson words are "much fuller-bodied than the old full-information rationality and indefinite (static)

equilibria" of the past. "The ingredients which distinguish these," he continues, "are admissions that current information may be only partial and that learning takes place over time." Other wines, which will "gladden a believing economists' heart" include "economics with a bouquet of trust, deceit, reputation, integrity, shirking, conflict resolution, and changing preferences." These latter vintages often require intra-institutional analysis and involve concepts close to the heart of the Christian economist such as virtue, vice, character, and relationships.³¹

Among the vintages waning in popularity are assumptions and methods relating to "materialism, measurability, individualistic self-interest and strict positive/normative distinctions," areas which, in Richardson's estimation, "were least palatable to the informed believer." The recent emphasis on non-material, non-measurable goods depart in good measure from the unrealistic, non-Christian vintages of the past. There has also been some progress at analyzing altruism, usually by using the "the simple device of making my attainment of desires one of your desires, too."³²

Finally, there are some traditional favorites which will always hold favor among practicing economists. These include issues involving the topics of scarcity and choice; the role of trade-offs; and incentives to save, acquire, and avoid waste. All of these vintages "are so robust as to be the meat and potatoes of economics new and old." The concept of economics rationality is also a hearty favorite, but this latter vintage may be "too bitter for Christians to swallow, seeming too cruel and cool for what we know about passionate human (and spiritual) nature." This, however, may not pose as much of a problem as one might expect. All that is needed, Richardson declares, is for some but by no means all people to behave as economic maximizers. "Economic analysis," he writes, "will ... be accurate as long as an adequate minority respond to economic incentives as predicted." "A little margin," he adds, "leavens the whole loaf."³³

Despite the plethora of new and exciting wines, Richardson is, nevertheless, concerned that the skills necessary to be a winemaker are intimidating. "There is no wide gate

and easy path," he writes, "by which we progress comfortably toward becoming wine-makers in modern economics." The road traveled often requires four or more years of graduate training in the "austere wilderness of secular graduate school, to say nothing of pretenure probation." During this time there are few "Mosaic mentors on our faculties to strike the rocks from time to time and bring forth water, to say nothing of fine wine." It should not come as any surprise that "Christian graduate students grumble with thirst and look longingly back toward various Egypts from which they have come."³⁴

"Nor," Richardson continues, "is all of their grumbling groundless." There is much in the way of modern economics which deserves criticism. He is concerned that "genuine intellectual curiosity and scholarly discipline in economics are being supplanted by personal gamesmanship and ambition for the 'stardom that this stuff can bring me.'" He is also concerned about an undue "narrowing of priorities" and "emasculatation of method." Too many economists have become preoccupied with 'progress in the profession,' so much so that they have come to ignore the "the accumulated wisdom and example of our (professional) ancestors." Others in the profession have placed too much emphasis on observational reasoning and inductive logic, abandoning both the historians' experience and insights, and the empiricists' dogged determination to "match the data at hand to the very best empirical methods available." "I am sick," Richardson concludes, "of waging war against glib 'documentation' by stylized fact and anecdotal appeal."³⁵

All of this serves as a deterrent to Christian economic scholarship; both to the prospective Christian scholar, who has yet to commit himself to a profession deemed too secular by many Christian commentators, and established Christian economists, who have yet to determine what if any role Christianity is to play in their professional work. Yet, as noted above, there are, in Richardson's estimation, changes afoot which lend themselves to the Christian's relational temperament, and it is these changes along with continuing efforts to establish Christian economics as a legitimate field of inquiry which make the

field such a worth while and interesting option to those who desire to integrate Christianity and economic scholarship.

3.3. Conclusion

It is Richardson's contention that Christian economists should adopt a more visible role within the profession, both in terms of Christian economic scholarship and as competent practitioners of economic science. While acknowledging the considerable obstacles which face any Christian scholar in a largely secular academic environment, it is an advantageous time to be both a Christian and a professional economist. Changes within the discipline have opened up whole new vista of opportunities - issues with ethical, moral, and even religious undertones, issues which the Christian economist is especially well-suited, not only because of his training and knowledge, but also because of his disposition and love for Jesus Christ. The Christian scholar who avails himself of such opportunities not only makes a much needed statement concerning his faith, but brings a special insight which differentiates him and his work from that of his nonbelieving peers.

Richardson's concern, however, is that too many Christian economists have left their first love to explore areas in which they are neither knowledgeable nor even familiar with. The likely result of such excursions is that what purports to be sound Christian scholarship is found wanting on all counts, undermining the integrity of the Christian economist as an economist and Christian economics as a legitimate field of academic inquiry. It is far better, he claims, for the Christian economist to do what he does best, making incremental, yet significant contributions within the established body of economic science. To adopt the alternative view, wherein Christian economics takes on a much larger role, would do much for biblical studies and ethics and little for Christian economics. Christian economics will only become an established and recognized field within economics, if Christian economists add to our knowledge of economics. Otherwise it will continue to reside "on the periphery of responsible intellectual existence."³⁶

Footnotes

- ¹ The topic of discussion was entitled "What Should Christian Economists Do?" The three principal proponents were David Richardson, who argued that Christian economists should work within the confines of neoclassical economics; John Mason, who adopted John Tiemstra's position and argued that an institutional approach is most appropriate; and Paul Heyne, who argued that Christian economists should not raise the specter of Christianity in their professional work.
- ² Richardson, J. David. "What Should (Christian) Economists Do? ... Economics!" Paper presented at workshop sponsored by Gordon College Department of Economics and the Association of Christian Economists, Boston, MA, January 1-2, 1994, p. 1.
- ³ Richardson, J. David. "Frontiers in Economics and Christian Scholarship," *Christian Scholar's Review*, June, 1988, p. 392.
- ⁴ op cit., "What Should (Christian) Economists" pp. 5-6.
- ⁵ *ibid.*, p. 6.
- ⁶ *ibid.*, p. 7.
- ⁷ op cit., "Frontiers in Economics" p. 391.
- ⁸ *ibid.*, p. 382.
- ⁹ *ibid.*, p. 382.
- ¹⁰ *ibid.*, p. 383.
- ¹¹ op cit., "What Should (Christian) Economists" p. 3.
- ¹² op cit., "Frontiers in Economics" p. 392.
- ¹³ op cit., "What Should (Christian) Economists" p. 3.
- ¹⁴ op cit., "Frontiers in Economics" p. 393.
- ¹⁵ *ibid.*, pp. 385-388.
- ¹⁶ op cit., "What Should (Christian) Economists" p. 5.
- ¹⁷ op cit., "Frontiers in Economics" p. 395.
- ¹⁸ op cit., "What Should (Christian) Economists" p. 5.
- ¹⁹ Richardson, J. David. "Christian Doubts about Economic Dogmas." In Peter Wilkes (Ed.), *Christianity Challenges the University*, Downers Grove, IL: IV Press, 1981, p 52.
- ²⁰ *ibid.*, pp. 52-53.
- ²¹ *ibid.*, pp. 53-54.
- ²² *ibid.*, p. 54.
- ²³ *ibid.*, p. 55.
- ²⁴ *ibid.*, p. 55.
- ²⁵ *ibid.*, pp. 55-56.
- ²⁶ *ibid.*, p. 56.
- ²⁷ *ibid.*, p. 52.
- ²⁸ *ibid.*, pp. 56-57.
- ²⁹ *ibid.*, pp. 57-58.
- ³⁰ op cit., "Frontiers in Economics" p. 388.
- ³¹ *ibid.*, pp. 388-389.
- ³² *ibid.*, p. 389.
- ³³ *ibid.*, p. 389.
- ³⁴ *ibid.*, p. 389.
- ³⁵ *ibid.*, pp. 389-390.
- ³⁶ *ibid.*, p. 391.

A COMPARATIVE ASSESSMENT OF
LATE 19TH/EARLY 20TH CENTURY AND
CONTEMPORARY CHRISTIAN ECONOMISTS

Volume II

by

Mark Thomas

A DISSERTATION

Submitted to
Michigan State University
in partial fulfillment of the requirements
for the degree of

DOCTOR OF PHILOSOPHY

Department of Economics

1996

John Tiemstra

1. Introduction

John Tiemstra - economist, educator, and Christian scholar - is one of a small but influential group of Calvin College economists to advance an alternative view of economics in recent years. Born in Chicago on July 15, 1950, of a Dutch father and an Irish mother, Tiemstra personifies the intellectual tradition of the Christian Reformed Church in which he is a member. He graduated with high honors from Oberlin College in 1971, receiving his Ph.D. in economics from MIT in 1975. He has published articles on a number diverse topics including industrial competitiveness, energy policy, institutional economics, and Christian political economy. He currently holds the position of professor of economics at Calvin College.

2. Philosophical Heritage

Tiemstra's views on the role of Christianity in political economy are closely tied to the philosophical tradition of the Dutch Reformed Church and its American counterpart the Christian Reformed Church. Emphasizing many of the doctrines first propounded by the great theologian John Calvin, reformed scholars have gone to considerable lengths to define and explain the role of stewardship in God's grand design. Unlike a number of other Protestant denominations which have emphasized salvation almost to the exclusion of all other considerations, leading proponents of the "neo-Calvinist" position argue that it is not enough to abide by a strict code of personal moral conduct. Man, they declare, has a responsibility to exercise stewardship over all of God's dominion, and this includes an abiding responsibility towards one's family, community, work, material possessions, the environment, business, government, and the poor.

2.1. Abraham Kuyper

Among the first reformed scholars to advance a theory of Christian stewardship was the Dutch theologian and statesman Abraham Kuyper. Writing in and around the turn of the last century, Kuyper was of the belief that all "spheres" of life - religious, social, economic, and political - are religious in character, having been ultimately created by God and containing within them the "creational ordinances" for their social and historical development. Each sphere is ordained for a particular purpose, and no one sphere or group of spheres is subservient to any other. Rather, all spheres are held to be independent, providentially mandated, and subject to God's moral laws. God is thus acknowledged as having authority over all creation, and it is mankind's responsibility to honor this authority through faithful stewardship of His creation. To do otherwise is considered an act of disobedience.¹

As an example of how man has departed from God's divine plan for world redemption, Kuyper points to the mercantile philosophy of *laissez-faire* which had become prominent during the 19th century. Described by Kuyper as a vulgar, self-serving rationalization for greed and exploitation, *laissez-faire* has left in its wake a type of "dog-eat-dog" philosophy, an ethos where long-standing social arrangements are reduced to an almost jungle-like struggle for survival.² That such a philosophy is clearly at odds with God's divine plan for social redemption is axiomatic. The only relevant question in Kuyper's view was what should stand in its place.

Socialism, he claimed, was clearly not the answer. Apart from the obvious dangers associated with social upheaval and violence, any effort by man "to sit on God's throne" stood the risk of undermining the very institutions and ideals upon which a just social order is ultimately premised.³ Social institutions and established cultural traditions, according to Kuyper, are not the source of social injustice as is commonly maintained in socialist thought, but rather contain within them the blueprint for social equality and justice. Far

better, he concluded, to work with rather than against the institutions God has established for the realization of a just and bountiful society.

Social redemption, however, must be accomplished through a unified approach which recognizes and seeks to promote social and spiritual development in all spheres of human activity. The belief that Christians should engage in a type of dualistic approach to stewardship - performing a redemptive work through the Church while ignoring related concerns at work, at home, or through their social and political affiliations - was clearly foreign to his thought. "There is not a single inch on the whole terrain of our human existence," he writes, "over which Christ does not exclaim, Mine."⁴ Social redemption involves the development of all spheres in God's dominion, not simply those viewed as being of an explicitly religious character.

In keeping with this view, Kuyper advanced an alternative model of society, one which rejected the secular philosophies associated with socialism and *laissez-faire* in favor of a Godly-ordained social order. Such a transformation could be accomplished through the invocation of established Christian principles, such as love, fraternity, and brotherhood. The wide-scale adoption of such principles, he declared, would confer upon society a new perception of social relations, an "organic" perception whereby Christian and non-Christian alike recognize the importance of social interaction and sacrifice in human endeavor.⁵ This would be accompanied by important changes in the prevailing social order as "spheres" of economic activity come to reflect the redeeming characteristics of Christian love, brotherhood, and social responsibility in everyday life.

2.2. Hermann Dooyeweerd

Kuyper's visionary concept of "creational ordinances" was elaborated upon and extended by the Dutch Reformed philosopher Hermann Dooyeweerd. As a former student of Kuyper, Dooyeweerd set about the task of identifying how elements of creation, both social and natural, realize their divinely ordained potential here on earth. It was his belief

that human institutions are the product of an ongoing process, a type of creational development ordained from the beginning of the world and "disclosed" through the progressive unfolding of God's redemptive work here on earth. Human culture and institutions, according to this view, are subject to redemption, and it is only because of human idolatry, characterized by Dooyeweerd as a desire to worship specific spheres of creation to the detriment of all creation, that social redemption has been hindered.⁶ For God's divine plan to be brought to fruition, mankind must resist the sin of idolatry, and this could only be accomplished through the obedient practice of Christian stewardship.

It is not enough, however, for Christians to simply abide by traditional views of what does and does not constitute good Christian stewardship. The concept of stewardship, according to Dooyeweerd is an ongoing and evolving endeavor, reflecting the gradual unfolding or "disclosure" of God's intended structure for each and every Godly-ordained spheres of life.⁷ Christian stewardship thus consists of an effort to discern and understand God's divine will for worldly institutions, a responsibility to honor this will in all areas of one's life, and a responsibility to insure that others do likewise.

2.3. Robert Goudzwaard

In more recent years, the Dooyeweerdian concepts of stewardship and idolatry have taken on an expanded meaning by the small but influential community of Dutch and Christian reformed scholars. The Dutch economist, Robert Goudzwaard, argues that the idea of progress has become the newest and most sinister form of idolatry. Progress, Goudzwaard claims, has taken on such a prominent role in Western civilization that all other considerations - such as religion, morality, family, culture, social cooperation, and altruism - have become subsumed to a relentless quest for economic growth and technological development. The end result is a greatly distorted philosophy of life, whereby individuals frantically seek realization and happiness through material possession and ever greater levels of production. Modern man, writes Goudzwaard, has become enslaved to

"an idol made by our own hands... a power which forces its will upon us. Christians and non-Christians alike ... have allowed various forces, means and powers in our society ... to rule over as gods."⁸

Freedom from self-imposed servitude, Goudzwaard asserts, can only be achieved through the restoration and fulfillment of God's plan for institutional and social development, a process where the "norms for human life - like justice, trust, an truth - regain their original validity." Extending the Dooyeweerdian concept of revealed understanding, Goudzwaard writes, "Disclosure implies that every day life is intended to have its own meaning; that is today's significance is not exhausted in what it may contribute to tomorrow's needs and wants."⁹

In practical terms, this implies: (1) an emphasis on consumer frugality; (2) a recognition that economic decisions and consumption are motivated by considerations other than the hedonic calculus of self-gratification; (3) a recognition of the importance of justice and fairness in business and economic decisions; (4) a reappraisal of technological development as an expression of human creativity rather than simply as a means to greater production; (5) a transformation in how employers view and treat their employees; and (6) a renewed emphasis on the external and social consequences of production. All of these changes, Goudzwaard declares, can be summarized by the Christian ethos of love, a philosophy which he views as being compatible with the modern institution of capitalism.¹⁰

2.4. Stewardship and the Postmodernist Critique

The social philosophies advanced by Kuyper, Dooyeweerd, Goudzwaard, and other reformed scholars are premised on the belief that the world and all that is in it are a part of God's creation. This view is diametrically opposed to that advanced by secular science, which holds that metaphysical speculation of the former type are not subject to scientific verification and, hence, lie outside the realm of legitimate scientific inquiry. Until

recently, this latter view has gone unquestioned in most academic circles, resulting in a strict compartmentalization of science, ethics, and religion.

Over the past several decades, however, it has become evident, at least in philosophical circles, that such distinctions are more illusory than real. All forms of scientific inquiry, according to the postmodernist view, are implicitly premised on a presuppositional frame of reference or beliefs. Since the scholar or scientific investigator is hopelessly unaware of how existing theories, beliefs, biases, schooling, upbringing, etc., influence his scholarly work, the view that one can disassociate oneself from background information is held to be untenable. If the scientist cannot be insulated from his background, then it is also true that he cannot establish with absolute certitude a "true" or unbiased premise upon which to base his theories and findings. Foundationalism is, in a word, dead.

2.5. Nicholas Wolterstorff

Subscribing to this view, the only legitimate course of action is to explicitly acknowledge that all "facts," theories, and methods of investigation are in some sense normatively premised and precede from there. This is the position advanced by the former Calvin College philosopher Nicholas Wolterstorff. In his insightful book *Reason Within the Bounds of Religion*, Wolterstorff outlines the basic elements of the postmodernist critique and advances an alternative mode of theorizing, an approach premised on the "weighing of theories."

Since foundationalism, according to Wolterstorff, is no longer considered a viable mode of scientific inquiry, the only solution is for the researcher to weigh theories on the basis of one's beliefs. In making this determination, the researcher should be cognizant of three distinct type of beliefs: data beliefs, data background beliefs, and control beliefs. "If I am to weigh a theory's claim," Wolterstorff writes, "there is no other option to my taking as data that which I find myself believing to be true."¹¹ Data and data background beliefs fall into this former category. Control beliefs perform an even more important function,

since "everyone who weighs a theory has certain beliefs as to what constitutes an acceptable sort of theory on the matter of consideration."¹²

Religious beliefs, Wolterstorff declares, are especially relevant in this regard informing the Christian's judgment on a myriad of issues as to what is and what ought to be motivating him to take explicit actions in behalf of such beliefs. Wolterstorff refers to this complex web of actions and beliefs as the "Christian's faith commitment," and it this commitment which Christians should endeavor to integrate and realize in all facets of their lives, including the weighing and selection of academic theories. "The religious beliefs of the Christian scholar," he writes, "ought to function as control beliefs within his devising and weighing of theories."¹³ Expounding upon this subject, he writes:

The Christian scholar ought to allow the belief-content of his authentic Christian commitment to function as control within his devising and weighing of theories. For he like everyone else ought to seek consistency, wholeness, and integrity in the body of his beliefs and commitments. As control, the belief-content of his authentic commitment ought to function both negatively and positively. Negatively, the Christian scholar ought to reject certain theories on the ground that they conflict or do not comport well with the belief-content of his authentic commitment. And positively he ought to devise theories which comport as well as possible with, or are at least consistent with, the belief-content of his authentic commitment.¹⁴

Finally, Wolterstorff notes that since the Christian scholar's theories (which, of course, are propositions) are not synonymous with the belief-content of his "authentic commitment" (which is essentially data), the Christian cannot simply extract his theories verbatim from his beliefs. The Bible, for this reason, "cannot function as a book of theories for the Christian scholar." He writes:

... That man is a free and responsible being is indeed a philosophical theory, and perhaps also a high-level psychological theory; and it is something contained within Biblical theory. But the detailed theories which fall under this high-level psychological or philosophical theory are not to be found in the Bible.¹⁵

Wolterstorff concludes that the "Christian scholar has to obtain his theories by using the same capacities of imagination that scholars in general use."¹⁶

2.6. Tiemstra's Social Philosophy

Elements true to the foregoing philosophical tradition are evident throughout much of Tiemstra's economic and social thought. His view on the normative nature of economic science and the weighing of theories closely reflects the approach advanced by Wolterstorff. Similar to Kuyper, he has disavowed both the doctrines of *laissez-faire* liberalism and secular socialism, looking to a overall improvement in the institutions and society in which man lives as the true objective and ongoing endeavor of the Christian religion. He concurs with the principle of disclosure advanced by Dooyeweerd, believing that God has ordained certain institutions for a particular purpose and that the Christian scholar has a responsibility to discern what this purpose is and attempt to promote it through one's work. Elements of Goudzwaard's critique of Western civilization are also evident in his thought, and, true to the social vision advanced by Kuyper and others, he is a proponent of a holistic approach to economic analysis, believing that the current emphasis on exchange, growth, and production unduly neglects a number of considerations crucial to the more encompassing objectives of justice, social cooperation, economic and social equality, institutional development, and stewardship. The importance of such views and how they have shaped and motivated Tiemstra's approach to economics will become evident in the following discussion.

3. Economics as a Normative Science

In a recent address to the *Association of Christian Economists*, Tiemstra asserted that "Christian economists should do economics" and by economics he means distinctly Christian economics.¹⁷ While acknowledging the opposition that a Christian economist is likely to face from an entrenched secular establishment, it is his contention that a Christian

has a responsibility to "get God's message out to the world in whatever way we can." If this means that the Christian economist must adopt a new mode of economic inquiry, so much the better. Christians, he exclaims, should not be deterred by the secular world "because the secular world is wrong." "Christ," he goes on to declare, "is lord over all of life, not because the secular world elected him, but because he conquered death on the cross."¹⁸

Tiemstra's short but compelling address represents nothing less than an intellectual call to arms. He challenges Christian economists to go beyond the established and accepted confines of mainstream economics. It is not enough, he declares "for Christian economists to practice economics as usual within the mainstream neoclassical paradigm, tacking on some Christian values at the stage of policy prescriptions, after all the damage has been done."¹⁹ What is needed is a new approach, a paradigm which rejects the atomistic, rational, self-focused image of man posited by neoclassical economics and instead looks to stewardship, institutional development, and social justice as the focus of economic inquiry.

Tiemstra's iconoclastic position on economics and the role of the Christian economist follows from his postmodernist view of economic science. In *Reforming Economics*, a book he edited and wrote in collaboration with other reformed scholars, Tiemstra writes: "All of life, including its economic aspects, is necessarily normative, since it is human and therefore involves views of how we should live and work and consume, and economic analysis must take this into account."²⁰ He continues:

The idea that economics can be value-free and uncritical is, we believe, simply untenable. Even simple descriptive analysis cannot be value-free, since the choice of what is to be studied, the kinds of data which are to be allowed, and the sources of knowledge which are accepted as legitimate are all subject to the purposes and beliefs of the analyst. All economists have some implicit view of how an economy should run, and the subject is thus necessarily diagnostic. We believe that the normative basis to which we have been referring must be an explicit part of the subject and included within the scope of economics.²¹

3.1. The Dual Critique of Neoclassical Economics

As suggested by the above passage, Tiemstra is firmly committed to the view that the Christian economist's religious beliefs should be an explicit element in his approach to economics. Accomplishing this feat, however, is easier said than done. The Christian economist cannot simply delve into the prevailing economic toolbox looking for applications and objectives which comport with one's Christian beliefs. The techniques and tools associated with any paradigmatic approach are not normatively neutral, but instead carry with them a strong methodological bias, a normative bent which is difficult to discern and almost impossible to isolate. In an almost imperceptible way, the normative position advanced by the Christian economist is influenced by the paradigm in which he operates, dictating the types of questions he asks, the domain of possible solutions, even his very understanding of right and wrong, or good and evil.

As an example, Tiemstra points to neoclassical economics, a paradigmatic school of thought which he views as being fundamentally at variance with the Christian principles of stewardship, social justice, and self-sacrifice. Part of the problem, as Tiemstra sees it, is the inability of the paradigm to address those issues of greatest interest to Christian economists. "The neoclassical framework," he writes, "excludes many questions that are of great importance to Christians, questions about how people's values and religious commitments influence their economic behavior, and how in turn that effects the institutional structure and performance of the economy." "If it is true," he goes on declare, "(as Catholic commentator Michael Novak claims) that market economies only work properly when embedded in a democratic political systems and Christian culture, we need to have theories to explore how those connections work."²²

It is not, however, a lack of scope which Tiemstra finds most unsettling, but rather the underlying normative emphasis associated with neoclassical theory. The normative orientation, he asserts, avails itself in either one of two ways: first, through the ethical pre-suppositions upon which the paradigm is founded; and second, through the implicit

methodological foundations which have shaped the views of its practitioners and their research agenda. In support of this contention, he advances the "dual critique of neoclassical economics," a normatively premised evaluation of neoclassical economics which rejects the paradigm first, on ethical grounds, and, secondly, on methodological grounds.

3.1.1. Ethical Critique

The philosophical moorings of neoclassical economic theory, Tiemstra reminds his readers, originated from the 18th and 19th century utilitarian philosophies of Jeremy Bentham and John Stuart Mill, and it is this philosophy more than any other which has shaped the objectives of the discipline and the views of its practitioners. The problem, at least in the case of the Christian economist, is that utilitarianism is not a Christian philosophy. "By taking as its normative standard the greatest good for the greatest number, and by taking good to mean self-perceived happiness derived from economic consumption [neoclassical economics] adopts an ethic which is foreign to Christianity." "The desires of individuals," Tiemstra continues:

are infected with the sinfulness that we all inherit as part of our nature, and hence are an inadequate ethical foundation for economic policy. The individualistic and materialistic assumptions of this theory neglect dimensions of welfare that are connected to the community and to non-material standards. Welfare economics overemphasizes allocation questions and underemphasizes distribution questions, which by Biblical standards are more important.²³

Utilitarianism has also given rise to "the materialistic principle that more is always better," a perception which is "clearly unbiblical." Economic growth is not from a biblical perspective the ultimate goal of society, nor does "the neoclassical account of self-interest, gain seeking individuals ... [describe] the behavior of Christians who are trying to live according to the stewardship principle." Moreover, since "all humans are created in the image of God, and hence are by their very nature religious and moral beings, the neoclassical

model fails to capture an essential dimension of human behavior." Finally, and perhaps most notably, "the utilitarian ideology of neoclassical economics," promotes a particular social vision, one which "encourage[s] the very kind of self interest, greedy behavior that is inconsistent with the demands of the Christian life and destructive to the economy itself."²⁴

3.1.2. Methodological Critique

The second element of Tiemstra's dual critique involves methodology. "That there are problems with economic methodology," Tiemstra writes, "has been known for a long time," recurring with frequent regularity throughout much of the Twentieth century.²⁵ It has only been with the recent acceptance of a postmodernist view of science, however, that economists have taken a serious look at the foundational moorings of neoclassical economics and the concomitant methodological problems associated with the modernist approach to economics.

The modernist view of a "value-free" economic science grew out of a fracture of consensus during the 19th century. Steeped in ideological controversy and differences of opinion as to what constitutes economic science, the emphasis of 19th century political economy shifted from that of consensus seeking to methodology. "Science," Tiemstra writes, "was not a matter of *what* you know, but how you *know*."²⁶ The prevailing wisdom was that scientific and well-formed knowledge would necessarily follow from the correct epistemological method. The end result, however, was something all together different, as subsequent developments would clearly demonstrate.

In tracing the methodological changes over the ensuing century, Tiemstra identifies five distinct approaches to a value-free or modernist approach to economic science. The first *a priori* rationalism, invest rationality in the subject; the second, logically scientific economics, is implicitly premised on the logical necessity of economic relations; the third, instrumental rationalism, acknowledges the subjective nature of given ends, but postulates

a rational method for attaining such ends; the fourth approach, simple empiricism, is predicated on an inductive approach to economics; and the fifth, falsificationism, posits that theory cannot be derived from fact, but, nevertheless, maintains that theories can be evaluated on the basis of whether or not they comport with the facts. Each of these approaches Tiemstra informs us, fails in one or more ways. More importantly, none are predicated on the unequivocal foundation necessary for a value-free science.²⁷

It is not the unrealized pretensions of a value-free science which has rendered such approaches so detrimental to the development of economic science, but the strong methodological prescription which follows from the foundational presuppositions. Consider the case of *a priori* rationalism. Economic decision makers, according to this approach, are assumed to select among a myriad of choices, with little or no interaction with other human beings. Although such interaction is implicitly accounted for through a "given" set of preferences, the mode of reasoning suggests nothing about how such preferences arise. Moreover, because of the difficulty associated with modeling collective choice, relational decisions involving family, coworkers, community, polity, etc., are commonly ignored. The end result is a loss of information vital to our understanding of economics. The truly interesting issues, Tiemstra declares, are mysteriously concealed within some imponderable black box.²⁸

A priori rationality also gives rise to a distorted view of economic freedom. Since economic man is *assumed* to be a free economic decision maker, the possibility that decisions are not free is simply negated. "Yet," Tiemstra writes, "[people] often *have* to find a job, any job, to look after their parents or to get food to eat. The choices that this epistemological mode assumes as normal are for most people a goal on the horizon."²⁹ Once again, methodological prescription limits the choice of possible outcomes; in this case, to a voluntary choice between work and leisure. Finally, there exist a strong tendency to interpret rationality as infallibility. Since economic man is assumed to be rational, he is,

almost by definition, incapable of making a mistake. "The enormity of this assumption can scarcely be overestimated." Tiemstra continues:

If everyone is rationally following his own self-interest then all that remains for the economist to do is to tinker with and oil the mechanism. Nothing can be wrong, it can only be blandly sub-optimal. The 'rational expectations' debate is in part merely an attempt to keep this utopian approach alive.³⁰

A priori rationality, Tiemstra concludes, "is based on a trust in the rational core of [economic man] to provide useful parables from which a more realistic theory can be elaborated, although the core does not exist, and the realism cannot be tacked on as an afterthought."³¹

Methodological prescription, as suggested here, is, of course, not unique to *a priori* rationality. The other four methodological approaches identified by Tiemstra - logically scientific economics, instrumental rationalism, simple empiricism, and falsificationism - also come packaged with a particular methodological bent, resulting in a distorted view of social and economic reality. Rather than being shaped by economic reality, methodological modernism has shaped and modified the profession's perception of reality, a classic case of the "methodological tail wagging the economic dog."

Neoclassical economics, which originated from or has been tied to all of the modernists methodological approaches noted above, is not exempt from the postmodernist critique. From its very inception, the paradigm was constructed with a particular view of reality. It was designed to mirror the mechanical workings of the universe, to be "value-free," and to be motivated and directed by individualistic, self-seeking, economic agents. It is precisely these characteristics, however, which make the paradigm unacceptable to the Christian economist. "Neoclassical economists," Tiemstra writes:

are incorrect when they claim that "positive" (i.e. descriptive) economics is value-free, and that therefore values only enter into "normative" (i.e. prescriptive) economics. Value judgments are inevitably involved in deciding

which questions to study, which data are relevant, which theory to select of the infinite number that are consistent with the data, and which method to use to validate the theory. The value judgments that neoclassical economics reflects are often at odds with Biblical principles and priorities.³²

More fundamentally, the positivist orientation of neoclassical economics has led the profession down the wrong road, eschewing the underlying motives and values which determine economic decision. "By accepting as data only observed economic behavior, economists have cut themselves off from an important source of information." "Simply assuming that behavior," Tiemstra continues, "is somehow 'self-interested' gives no clue about how that behavior might change in response to changes in social and political conditions or changes in philosophies and values."³³

The third and final criticism Tiemstra directs at neoclassical economics involves an overemphasis on mathematical rigor, a development which he believes has distanced economics from reality. Reflecting once again a desire to "expunge values from positive theory," economists have developed theories which are aesthetically pleasing, "but have little or no connection to real world phenomena." Tiemstra continues:

... Rigorous interpretation of these mathematical models often results in mere tautologies which are useless as theory. To be sure, theories should be logically consistent, but not to the exclusion of information from a Christian philosophical anthropology.³⁴

In conclusion, there is no reason to believe that the implicit normative position embedded within the neoclassical paradigm will comport with Christian norms and values. Indeed, the paradigm's utilitarian foundation, its emphasis on mathematical rigor and positivism, and the humanistic orientation of its applications and objectives suggest just the opposite. Given such differences, the only legitimate course of action is to reject the paradigm in its entirety.

3.2. Toward A Normative Science

The methodological failings of neoclassical economics and other modernist approaches to economic science has, however, opened the door to a normative approach to economic science. Once the pretense of positivism is shattered, the impregnable wall of "value-free" economic science no longer serves as an obtuse barrier, shielding the science and its practitioner from evaluation. Tiemstra looks upon this development as a much needed change, for it is only through self-criticism that the profession can be purged from the type of self-serving, self-aggrandizing behavior which has characterized its past. The subject of economics, he emphasizes, is simply too important to do otherwise. He writes:

Our Christian perspective allows us to put these [methodological] failures in context. If science is a response to the creation, human and non-human, then a number of things have to be recognized. One is that the respondents, the scientists, cannot claim autonomy for their knowledge, it is dependent on what is given by God, and man must acknowledge that universal condition. Second, the nature of the response that it is finite, proximate, and subject to the limitations of the scientists; to assume omniscient economists therefore seriously overstates the competence of the science. Third, rather than the economic scientist being seen as infallible, he or she constitutes an epistemological problem, because of the sinful attitudes which economists can bring to their work. Built into the modern development of the discipline is self-congratulation, status seeking, insensitivity to evil, and especially pride; attitudes which rule out the possibility of self-criticism.... Thus, far from the process of gathering knowledge being mechanical and even automatic, we need to take account within the science of economics of the waywardness of economists.³⁵

Economists, Tiemstra goes on to declare, should also endeavor to broaden the scope of economic inquiry. Methodological prescription has imposed a straightjacket on our perceptions, shaping our views, and dictating our responses. Economics should instead be perceived as a human endeavor, subject to the same failures, faults, and sin as its constituent element, the human being. This in turn would open our perceptions to the richness, diversity, and depth of the human experience. "There is," Tiemstra writes, "an interweaving of economic, social psychological, and political activity and a complexity of

human meanings, motives, institutions which need to be recognized in the theory." "Many in the discipline have taken the qualitative richness of the creation and the meaning of human economic activity and, like a figure in a cartoon, have flattened it against the wall of one or another foundational epistemology."³⁶ Such an approach has had a tendency to conceal more than it reveals, and it is this failing which must be recognized if the science is to address those problems most fundamental to our economic existence.

Finally, and perhaps most importantly, economists should endeavor to establish what is true, even if this implies an avowedly normative judgments concerning right and wrong or good and evil. It is not enough to simply describe or explain economic phenomena. The economist has a responsibility to distinguish "what is good, constructive, and valuable from what is evil, destructive, and empty." "Whether economic activity," Tiemstra concludes, "is based on a proper or mistaken view of the situation, whether motives are careful or careless of others, whether action is fair or unfair all need to be normatively discerned."³⁷

3.3. Christianity as Normative Basis for Economics

The postmodernist emphasis on normativeness has, according to Tiemstra, "leant [a] new legitimacy to the task of Christian scholarship." The epistemological wall which required economists to conceal their beliefs behind the thin veil of scientific objectivity has been lifted. Normatively premised beliefs are no longer viewed as a pejorative intrusion into the value-free realm of economic knowledge; and issues relating economics to ethics, social behavior, and religion are now considered legitimate areas of academic inquiry. The new climate of intellectual tolerance and freedom has, in Tiemstra's words, "opened up the possibility of a Christian approach to economics," giving rise to a "new openness to [an] explicitly normative social science."³⁸

While applauding this development, Tiemstra, is not a proponent of methodological relativism. Quite the contrary, for in advancing his views on economics, he has

consciously sought to live out his Christian commitment through his scholarly work, and he has accomplished this by looking to a "methodology that allows Biblical norms and insights to inform [his] judgment of social behavior."³⁹

3.3.1. The Bible as a Normative Basis for Economics

The Bible, Tiemstra asserts, serves as a type of inspirational road map for the Christian scholar. While concurring with Wolterstorff's judgment concerning the use of imagination and complementary knowledge in the development and weighing of theories, Tiemstra, nevertheless, believes that the Bible holds much wisdom for the Christian scholar. A Christian perspective on economic theory, he writes, "must be rooted in the Biblical witness to God's revelation of his will for human life."⁴⁰ What is needed, however, is some understanding of how this is to be done. The Bible, he insists, cannot be studied in isolation. "There is much Scripture about economics, but it is embedded in the larger issues of human response to God."⁴¹ For this reason, biblical interpretations of economics must be understood in the context of man's relation to God. It is also important to keep in mind the genre of literature you are reading. "If ... we are reading history we treat it as history, if legal code we understand it as legal code, if epic story, we read it as epic."⁴²

Finally, it must be kept in mind that the socioeconomic structure of ancient Israel was fundamentally different from that which exist today. "The whole of Biblical history," Tiemstra writes, "from the conquest of Palestine in the mid-13th century through the time of Christ in the first century of our era was wrought in an agrarian culture."⁴³ Biblical laws pertaining to interest, debt forgiveness, land tenure, etc., must be understood in this context, rather than as immutable, timeless prescriptions for economic policy. Commenting on the agrarian culture of ancient Israel and how this knowledge may help and also

hinder our understanding of biblically premised economics, Tiemstra writes:

... the persistence of agrarian order throughout almost the whole Biblical period - from the Conquest on - simplifies our task, but complicates it as well. It simplifies it because we do not need to look for radically different teachings to fit seriously changed circumstances. Once the monarchy is in place, by 1000 B.C., we find a general consistency in living conditions, social stratification, and Biblical teaching on economic matters. However, it also means that we have no Biblical teaching aimed at any other culture, so when we apply it to the modern industrial or post-industrial societies of our world, we are always in need of translation.⁴⁴

3.3.1.1. The Stewardship Principle

In accordance with this belief, Tiemstra eschews narrowly focused biblical prescriptions in favor of the biblical metaprinciple of stewardship and its application to various areas of economic endeavor. He writes:

In Biblical thought all things belong to God - all worlds, all peoples, all the earth. God is creator and sustainer. Humans are 'strangers and sojourners' upon the lands he has entrusted to their care. We are stewards of God's fair world, accountable to God for what we do with the world put to our keeping.

'The heavens are the Lord's heavens, but the earth he has given to the sons of men.'

This is the key principle that is the impenetrable stratum upon which all the layers of Biblical law and prophecy lie. It is a dominion or rule that is also a care and a keeping. And it extends beyond those things of the earth that are for human use, even to the things which we are to care for, though we make no use of them. The original pair were given dominion and care for it all - the fish of the sea and birds of the air. The California condor and the Seaside sparrow are to be cared for in the apparent twilight of their species life, as are the strange, flowing fish that we have not yet discovered in their pitch-black environment miles below the surface. Human are entrusted with keeping them all.⁴⁵

The stewardship metaprinciple, Tiemstra is advancing here, involves more than simply a reemphasis away from self-serving consumption to a more encompassing view of economics; it involves a fundamental change in the basic motif underlying economic science. Whereas neoclassical economics centers around the issue of scarcity, stewardship

concerns itself with God's divine plan for this earth, a belief system which is premised on the Godly provision of all of man's legitimate wants. Scarcity holds no place in the nation or community which honors God's commandments and is faithful to the biblical principle of stewardship. Commenting on this position, Tiemstra writes:

We do not think the idea of scarcity is really necessary to the definition of economics, inasmuch as scarcity makes sense only in the context of the attempt to satisfy unlimited wants in the face of limited resources. This need not be the case at all. We believe, rather, that the resources of the creation are sufficient to meet all legitimate human needs, and therefore the emphasis of the analysis ought to be on what constitute[s] responsible stewardship of the earth's resources in meeting these needs.⁴⁶

"Under the umbrella of stewardship," he writes elsewhere, "there is *shalom*, peace. Outside it lies false economy - wealth ill-gained, work that is unremitting toil; in a word, injustice."⁴⁷

3.3.1.2. Stewardship and Wealth

Biblical principles involving wealth, work, and justice follow directly from the metaprinciple, stewardship. Consider the Christian view of wealth. Despite various biblical admonitions concerning the dangers of riches, the provision of wealth, Tiemstra writes, is clearly "a sign of God's blessing." "But it is an *effective* sign only when it symbolizes dependence upon God and is used to minister to the needs of the poor."⁴⁸ When it is not used in this manner, it gives rise to sin, as reflected in anxiety, discontent, selfishness and idolatry. The Bible, Tiemstra asserts, is clear on this issue: 'You cannot serve God and money.'

Wealth, nevertheless, holds a key place in God's dominion. It is bestowed upon Christians so that they may be more effective stewards of God's dominion. In the absence of wealth or in a situation characterized by considerable economic inequality, stewardship is not possible. This explains, at least in part, the many laws established in the Old Testament for the provision and maintenance of a largely egalitarian agrarian culture. It also

explains the institution of private property, which allows man to exercise effective stewardship over God's dominion, and to do so in a way which reduces waste and reckless consumption. Finally, the provision of wealth affords the Christian an opportunity to minister to the needs of the poor, the thirsty, the alien, the sick, the imprisoned, etc., behavior in keeping with the selfless ethos of Christianity.⁴⁹

3.3.1.3. Stewardship and Work

Work represents yet another principle premised on the metaprinciple, stewardship. Work, according to Tiemstra, represents a vital element in God's grand design, reflecting back upon God the creative element he bestowed upon creation. Emphasizing the importance of this most fundamental of concepts through the use of bold type, Tiemstra writes:

**Since Humans are Made in the Image of the Creator God,
Human Work is Meant to Image Back to God His Creativity⁵⁰**

From Adam's tending of the garden before the fall to the many forms of work cited in the Old and New Testament, work is looked upon as a positive manifestation of man's creative spirit. "Indeed, were one to search for a simple Biblical definition of what is to be human, one might find first and foremost we are creative beings."⁵¹ Work, for this reason, must contain some measure of creative endeavor. Otherwise it fails to permit stewardship of the creativity with which we were endowed. Work thus involves much more than simply having a job and earning an income. "We must ask," Tiemstra writes, "if modern society provides many opportunities for creative work today."⁵²

A biblical perspective on work also implies a high degree of social and economic cooperation. "The need for cooperation is underscored within the early Christian community by Paul's likening the member of the church to members of the same body who need each other for the body to be in health." He continues:

Our work, then, must serve our fellows. Our Lord said he was among his friends as one who serves. His example of leadership and authority in the

upper room at the Supper, when he washed his disciples' feet and commanded them, leaders in the church, to do the same, underscores the connection between work and service.⁵³

This does not imply, however, that people should live off the labor of others. It simply means that work should serve the needs of not only the individual, but the community as well. In support of this contention, Tiemstra draws from a quotation by John Calvin, who wrote:

It is not enough when one can say, Oh, I work, I have my trade, I set the pace.' This is not enough; for one must be concerned whether it is good enough and profitable to the community and if it can serve our neighbors ... It is certain that no occupation will be approved by Him which is not useful and that does not serve the common good and that also redounds to the profit of everyone.⁵⁴

3.3.1.4. Stewardship and Justice

The third principle identified by Tiemstra as important to our understanding and application of the metaprinciple stewardship is righteousness or justice, identified in this context as the proper balance between wealth and work. The Hebrew words generally used for a balance between wealth and justice are *mishpat* and *zedaqah*, words commonly found throughout the Old Testament. In explaining the usage and application of these two terms and their New Testament counterpart *dikaosune*, Tiemstra confines his discussion to three closely related biblical concerns: the prohibition of usury, concern for the landless poor, and the institution of slavery.

"Lending money at interest," Tiemstra reminds the reader, "is specifically prohibited in the Old Testament."⁵⁵ There are two reasons why this is so: first, in an agricultural system organized around small family held plots, usury usually implies living off the labor of another; and, second, since money was generally lent during difficult times, usury had a tendency to drive the poor off the land, creating a feudal system of landed aristocracy and landless peasants. In the context of modern society, "The Biblical principles attached to the usury prohibition are that (1) we should not live without working because others are

working for us; (2) that our economic activities must not deprive others of the ability to produce or to be stewards."⁵⁶

The second concern gleaned from the principle of justice is poverty. "Ideally, there were to be no poor in the land (Dt. 15:4), but in fact there would always be some (15:11)."⁵⁷ This tension stems from God's desire that everyone should exercise stewardship through the ownership of wealth, and a natural tendency for wealth to concentrate in the hands of the few over time. Tiemstra notes that a numbers of biblical laws were set forth in an effort to overcome this problem, the two most prominent being the Sabbath year and the seven-times-seven year of jubilee. The Sabbath required the forgiveness of debt and the release of Hebrew slaves every seventh or sabbatical year; the year of Jubilee required that every fifty years all property which had exchanged ownership had to be returned to its original owners. Tiemstra identifies "three key provision in these two pieces of legislation: canceling debt, freeing slaves, redeeming land." "Had it been followed exactly in an agrarian society," he continues, "then there would have been no poor in the land, but those in hard circumstances would have returned to the land, to productive existence, their debt wiped out, able to make a fresh start."⁵⁸

"New Testament teaching," Tiemstra writes, "complements that of the Old, with Jesus sharpening his hearer's ears to the cry of the poor." The emphasis, once again, is on stewardship, in this case, on the moral responsibility to care for those who are in need. Among the many New Testament accounts echoing this view is the story of the rich man and Lazarus, and Paul's admonition to care for the poor of Jerusalem. While the New Testament emphasis on giving to the poor differs from the Old Testament emphasis on economic organization and equality, both reflect the "beneficence of God."⁵⁹

The third and final concern relating to justice involves the institution of slavery. "The reader will remember that Israelite society had made permanent slaves out of conquered people." "Even in the New Testament there is no command for Christian slaveholders to release their bondsmen and women." Yet, in both the Old and the New

Testaments, the laws or principles applying to slavery were generally more lenient than those practiced by other societies. Commenting on biblical laws designed to insure the humane treatment of slaves, Tiemstra writes: "... in the final analysis the slave is not property, but a person." It is, nevertheless, true that neither the Old nor the New Testament forbids slavery, a dilemma we as Christians must grapple with.⁶⁰

This dilemma as well as subsequent efforts to establish a slave free society can be understood as an application of the stewardship principle noted above. History tells us slavery disappeared not long after the ascendancy of Christianity in the Mediterranean world. This remarkable fact stands in stark contrast to the position adopted in biblical text. How then did the early Church come to adopt a position that runs counter to that of ancient text. The answer is that the Holy Spirit informed the early Church's position on the more general question of bondage. "In other words," Tiemstra writes, "the Holy Spirit vivifies the written word and leads the church in a continuing encounter with her risen Lord. So, it is the Spirit of Christ, speaking through the Bible, that convinces us that it is a principle that people should be free."⁶¹

3.3.1.5. Stewardship and World Redemption

This very same process of spiritually informed interpretation of Scripture, Tiemstra asserts, should guide today's Christians on issues of world redemption. Since the Fourth century onward there has been a tradition of interpreting Scripture in a "spiritual" way, a development which in Tiemstra's words "has meant that when Christians work for justice and peace - which we do - it is done with resigned obedience, a sort of teeth-gritting resolve, not because of any expectation that it will really make much difference in this vale of toil and sin."⁶² Efforts to overcome this other worldly mentality have as a consequence often been associated with "heterodox or frankly anti-Christian ideology." Yet, Tiemstra declares, "complete Biblical theology of economic life cannot be drawn by toning down

the pictures of earthly redemption or restoration or consummation." He continues:

Without the lure of Christ the Omega, we fail to incarnate the Spirit's urging, and great swatches of scripture lose their relevance. To use old language, it is not a case of pre-millennialism or post-millennialism, but promillennialism: we must be in favor of and work for God's rule. It is integral to our stewardship of God's fair world.⁶³

4. An Institutional Approach to Christian Economics

Having established stewardship as the normative criteria upon which to assess various economic issues, Tiemstra addresses the question of how best to study and understand economic issues in light of Christian principles. Understanding, Tiemstra declares, should be the focus of economics, but understanding does not exist in a vacuum: it reflects the values and presuppositions of the economist. For the Christian economist this implies Christian values, and it is these values which he should endeavor to promote in his work.

It is Tiemstra's contention that this is best accomplished through a post-Keynesian/institutional approach to the study of economics, a paradigmatic approach which eschews the austere, highly generalized structural relations associated with orthodox economic science in favor of the study and analysis of distinct institutional structures. Commenting on the distinction between the orthodox and institutional approaches to economics and why the latter is preferable, he writes:

... It follows from much of what we have said up to this point that the lines of analysis established by [orthodox thought] do not take into account many of the more important questions and problems posed in the early chapters of this book, particularly the fact that each of the categories of analysis has a normative quality which may not be ignored. For example, treating the family simply as a consumption unit ignores the important questions of why some families use up a lot of resources while others do not. For this reason we have not emphasized these categories of analysis, but have favored a consideration of broader categories and patterns reflected in the economic activities of various institutions such as families, firms, labor unions, and voluntary organizations, all of which are much involved in economic decision making.⁶⁴

Standard economic theory is unduly narrow, requiring that economic agents "respond, almost like Skinner's pigeons, to economic stimuli, according to simple criteria like profit and utility maximization." A much wider perspective is needed if economics is to reflect the normative concerns and stewardship directive of the Bible. Economics, Tiemstra writes, must focus on "economic interdependence, mutuality and care, the main concern of the Mosaic law and also of the New Testament."⁶⁵ This by implication implies an emphasis on cooperation, community, social responsibility, trust, fairness, and social service, characteristics which distinguish the Calvinist and evangelical tradition as expressed by Calvin, Latimer, Baxter and others from the individualistic, self-centered orientation evident in most secular thought, capitalist and socialist alike. Tiemstra writes:

For the dominant development of the modern economy, missed by capitalist and socialist alike, is the degree of interdependence which we have developed, and the extent of cooperation, trust and service which are necessary to the day to day operation of the economy. Each day each of us appropriates the services of hundreds of thousands of workers, and since we are thus members one of another,⁶⁶ it is arguable that our economic perspective should linger at this point.

Cooperation, care and service, Tiemstra goes on to exclaim, are not limited to interpersonal interaction, but manifest itself through the institutions in which we live and carry out our day-to-day economic decisions. "The *qualitative* differences in institutions decisively affect the pattern of communal economic relationships."⁶⁷ It is not only the communal or collective orientation which is important here, however, but also the role institutions perform as part of God's grand design. Subscribing to the Kuyperian view that all God-given institutions contain within them the creational ordinances for their full development, Tiemstra writes:

Family, enterprise, church, state, school, are all uniquely instituted to develop their own structures within their own norms, and it is only when the character of these institutions is given respect within economic analysis, that the full richness of human life is treated with integrity. Nor is this richness limited to major institutions; as people respond to norms, like that of

care, so organizations like hospitals, hotels, and old people's homes are generated. This pluralism, recognized especially within the Kuyperian tradition, is needed if we are to escape from the false monotonization of economic life in much theory.⁶⁸

Among the advantages of such an approach is a recognition that the economic decision making process is rich and varied, and will depend upon the institutions in which such decisions are made. "That the family is characterized by gift relationships and the state by laws deeply affects the economic processes within them. Thus the kind of accounting used in running a judicial system or running a family is different from that used in running a firm." A disaggregate approach also sheds light on the full measure of economic activity taking place in noncommercial sectors. It has been estimated, for example, that roughly 25 percent of total economic activity takes place within the family. "Families, the state, churches, and schools," Tiemstra writes, "are far more necessary for economic life than is normally allowed."⁶⁹

Among the other issues which are better dealt with through an institutional approach are poverty and social priorities. Poverty can be traced in large measure to institutional retardation, and it does little good to increase income without at the same time addressing the other issues such as family strength, religion, support agencies, and access to economic facilities. "If institutional poverty is one of the most significant forms [of poverty], it shows the need for an institutional view of many issues."⁷⁰ Finally, and perhaps most importantly, an institutional approach allows for criteria which supersede purely economic considerations in the prioritization of resources to different institutions. "The communal priorities in the commitment of resources to different institutions involve a variety of sets of supra-economic religious values and cannot be reduced to a question of mere economic criteria."⁷¹ This salient consideration, Tiemstra concludes, has far reaching implications for not only are resources often allocated through supra-economic criteria, but the availability of resources to be allocated is often determined by like considerations.

The importance of institutional questions to Tiemstra's overall approach to economics is reflected by the general emphasis of his book *Reforming Economics*, where he devotes separate chapters to subjects such as the family, the firm, economic organization, labor unions, international economic activity, and the church. A discussion on each of these subjects and how it relates to Tiemstra's overall approach to economics is discussed in turn.

4.1. The Family

The family, Tiemstra declares, represents an integral part of the American economy, contributing among other things to the specialization of labor, prevailing patterns of consumption, the distribution of wealth and income, and one-third of the total work activity of the nation. Despite such considerations, the family is practically ignored by standard consumption theory, being reduced to a utility maximizing unit of economic activity. Consumption theory rules out values and motives as extra-scientific, rendering the family little more than a black box, an inscrutable institutional parameter lying outside the economist's realm of understanding. Given the importance of the family to the nation's economic well-being, this is, in Tiemstra's words, "disastrous." "If roughly a third of the total work activity of the nation centers on the home it seems especially short-sighted to foreclose this area of investigation."⁷²

Closing off the family from economic consideration has a number of unfortunate consequences. First, it tends to diminish or negate the temporal significance of consumption. "The temporal prerequisites and consequences and duration of consumption are normally not taken into account, and yet how long things last or when they can be afforded, or when they should be replaced are very significant issues."⁷³ There also exists a tendency to ignore important aspects of the family's economic activity. The family, Tiemstra asserts, is more than simply a unit of consumption, it "is also a unit of production, conservation, and investment, and provides economic support of other institutions, the

employment sector, and economic preservation." The family, he adds, is distinctive from other types of institutions, having "its own economic equilibrium and decision making criteria."⁷⁴ Finally, modern consumption theory tends to ignore the complex network of relationships residing within the family. Decisions involving the purchasing, care, and sharing of various objects used in family life - car, home, garden, furniture, etc. - have "great significance for family members, and when duplicated a million times or more, are major global economic variables."⁷⁵

The family is much more than simply a institutional structure which engages in consumption. It is motivated by both economic and noneconomic considerations. "To marry for money, not love is a defective basis for the institution, and to treat children as investment or economic security is a similar travesty." Tiemstra does not deny such behavior, he simply maintains that cultures which view marriage in terms of economic strategy are, in his words, "defective." They reduce marriage, a supra-economic act, to a business transaction. "Our Christian normative understanding of marriage is of a faithful and loving lifelong union between a man and a woman."⁷⁶

The family's internal decision making framework is much different from that posited by neoclassical economics. "The structure of marriage involves complete economic union in principle, and almost always in practice." Family needs involve "a communal disposition of resources; food, services, space, and time are jointly organized within the family." The family is also characterized by a desire to "maintain the physical, mental and social health of its members and to provide education, training and play for the children." The internal economic relationships characterizing marriage and family are, in short, gift relationships, not exchange ones, and it is both erroneous and morally repugnant to depict such relationships in terms of implicit and legal contract, maximization routines, etc. Marriage and family do, indeed, have an economic aspect, but it is one characterized by sharing, love, cooperation and unity of effort, and it these gift relationships which must be considered when assessing joint decisions made by the family.⁷⁷

Gift relationships have important implications for a variety of economic issues, including the distribution of wealth and income, the commitment of time inside and outside the home, the materialistic ethos of American society, and the economic consequences of family breakdown. It has been observed that intergenerational gift bequests fail to provide an adequate measure of wealth to newlyweds, a problem which Tiemstra believes could be potentially remedied through taxes or a type of voucher system. It has also been observed that the growth of two income households has led to only modest improvements in income equality, while placing undue time commitments on working mothers, especially those who have two or more children. This perverse effect suggests the need for a fundamental re-emphasis of national priorities. It may be necessary "to give discretionary payments to parents who look after their children full-time rather than working. This would break with the parasitic and negative approach to child care that now exists and reflect a higher social valuation of this important task."⁷⁸

Finally, and perhaps most notably, it is important to recognize that the dominance of economic considerations in American society - characterized by an increase in two income households, a loss of quality time together as a family, individualized consumption activities, a reliance on TV as a child tranquilizer, overwork and over commitment, and a materialistic ethos - have placed tremendous pressure on the family structure. Commenting on the nature and potential consequences of this development, Tiemstra writes:

To varying degrees, family social intercourse is being squeezed by these configurations. The ethos of egocentric satisfaction, rather than just being an assumption of neoclassical economists, has actually wrought destructive havoc in many families. However, the hollow joke is that economic activity is also economic defeat and destruction, for the breakdown of the social unit, the family, is one of the big, but unnoticed causes of economic decline. In the end the familiar nature is the key to long-term economic development.⁷⁹

Society has yet to come to terms with such a development, failing to even estimate the total cost associated with family breakdown - cost which might include a reduction in

productivity through drug and alcohol abuse, mental breakdown, etc., and governmental costs related to delinquency, crime, educational failure, and poverty. "It is only when the costs of educating children with difficult family backgrounds and of subsequent job failure are estimated and added that we get some idea of what a devastating economic burden family failure is already and will become.... It is only when [the family] has both regained its own internal strength and is respected economically and politically that this tragedy will be partly averted."⁸⁰

It is not only internal economic relationships which must be considered when assessing the economic role of the family, but external economic relationships as well. As was the case with internal economic relationships, the economic relationships which connect the family to other institutions and the rest of the family are not adequately addressed by consumption theory, and such relationships must be considered if we are to obtain a full appreciation of the economic role of the family in American society.

Among the external economic relations linking the family to the rest of the economy are investment in physical and human capital, the provision of work, charitable donations, and most importantly, consumption. It is important to account for the full value of family net worth, not simply the value of net assets plus savings. Much in the way of family worth is not quantifiable, involving such considerations as the inculcation of the work ethic, an emphasis on education, goodwill, etc. This has important implications in terms of how much is invested, how productive such investment is, and the type of investment taking place.⁸¹

The decision as to whom in the family should work and how much represents yet another important consideration which has not been adequately addressed by standard theory. Emerging consumption patterns characterized by high consumption, high leisure, passive entertainment, and the minimization of effort, may contribute to a social environment where most people seek to work as few hours as possible, requiring some smaller percentage of the labor force to work much longer hours.⁸²

Other considerations related to the family and external economic relations include the role of charity, not only as it relates to institutions, but from the standpoint of familial responsibility where individuals make decisions concerning the care and welfare of aging parents, children, etc. Commenting on this issue, Tiemstra writes:

Family giving is one of the creative modes of family life. For rather than giving being residual to spending and saving, it is possible for it to be a family priority which modifies lifestyle. The priority of giving to meet the needs of others, despite all our negative rationalizations, is the norm of Christian *koinonia* and neighborly care. It is Paul, not Marx, who specified the principle that we should give voluntarily according to our abilities to meet the needs of others who require help. (I Cor. 16:2; II Cor. 8 & 9). In many areas, too, familial payments can be such as to support the provision of services for others. These inputs can have a mighty effect on the needs of others and are an integral part of our economic lives [Sider 1977].⁸³

The fourth and final external economic relationship noted by Tiemstra is consumption. Contrary to orthodox economic theory, consumption decisions do not simply arise from some mysterious preference function, but reflect the legitimate and sometimes less than legitimate needs of the family. In recognition of this belief, Tiemstra lays down a number of guiding principles. First and foremost, when making purchasing decisions the family should abide by the stewardship principle noted earlier, remembering that all things are part of God's dominion and that worldly provisions are a blessing not a privilege. Second, economic autonomy is a myth. "For families to assume that they are independent and economically self-refereeing," Tiemstra writes, "is to deny the full mutuality of the economic community." Third, consumption is not an end itself, but "receives its proper meaning in the context of righteous living." Fourth, consumption should be carried out for the purpose of satisfying legitimate needs. Consumption, Tiemstra cautions, is often motivated by idolatry, self-indulgence, self-glorification, greed, and covetousness, the result of which being social and economic isolation, destroyed or obstructed relationships, injustice, and sin.⁸⁴

Finally, and perhaps most importantly, Tiemstra believes the concept of subjective pleasure should be avoided, considering it "a false idiom" which elevates consumption to a self-defeating and joyless way of life. Commenting on this issue, he writes:

When the consumer is the ultimate reference point, a God-denying life is perpetrated. Humans cannot appropriate joy to themselves or be an end in themselves; they can only receive God's bounty and blessing. Thus hedonism and utilitarianism are distortions of the meaning of life, and the attempt to possess pleasure has as its inevitable long-term result the 'joyless economy.'⁸⁵

Tiemstra goes on to suggest that consumer sovereignty is nothing more than a myth. Wants, he declares, are a consequence of social valuation and, as such, are often directly monitored and controlled by large corporations. Even when they are not, wants reflect deep-seated psychological motives, and it is the "widespread manipulation and legitimization of [such] motives which lead them to become unbalanced, obsessive, and misguided, running on an emotional treadmill of work and spending."⁸⁶

In contrast to this self-imposed treadmill, Tiemstra advances, an alternative lifestyle, one characterized by "contentment, peace of mind, joy, and patience, characteristics which are only given within a context where God is worshipped and people are forgiven; they are alien to the culture of the worship of things."⁸⁷ How families earn and spend their money, Tiemstra concludes, is an issue with far reaching implications, not only for those families which must bear the consequence of their actions, but for the nation as well. "The decisions we make and the directions we follow will help determine whether the economy is shallow, unstable, and wasteful, or careful, meeting full human needs and honoring God. Families, rather than being passive economic pawns, are meant to be units of faith and economic responsibility."⁸⁸

4.2. The Firm

Tiemstra views the firm as a central element in a fully integrated approach to Christian political economy. Contrary to the profit maximizing black box posited by the neoclassical approach to the subject, Tiemstra looks upon the firm as a type of economic community, staffed and operated by individuals with a multiplicity of objectives. As a provider of products and services to society and wages and salaries to its workers, the firm serves a unique purpose in God's grand design, and similar to any other economic or social institutions should be evaluated in light of this consideration.⁸⁹

Neoclassical economics, argues Tiemstra, diminishes the stewardship role of the firm, presenting the firm as an internally inscrutable, mechanistic provider of goods and services. This approach unduly focuses on the role of profit and market structure as defining characteristics, when in fact firms are motivated by other characteristics including the objectives of management, the well-being of employees, the non-pecuniary desires of investors and customers, public relation and good will, and a vision of the firm's role in society. Orthodox theory also fails to account for those characteristics which distinguish one firm from the next - considerations which are quite important in determining what the firm produces, how efficient it is, its hierarchical structure, pay scales, etc. Neoclassical economic theory also purports a degree of knowledge and sophistication which simply does not exist. Rather than setting marginal cost equal to marginal revenue as suggested by most textbooks, most firms, Tiemstra maintains, manage through a trial-and-error approach, relying upon tried and true methods to achieve their particular set of objective.⁹⁰

Finally, and perhaps more importantly, the neoclassical interpretation of the firm contributes to a highly destructive social philosophy; one which, in the absence of countervailing ideals, will invariably lead to social decay and a impoverishment of the broader standards by which human life must be measured. There are many social functions performed by the firm, Tiemstra asserts, and to focus on one - namely, efficiency - to the

exclusion of all others is to advance a strongly normative orientation as to what should be, and it is this orientation which Tiemstra finds most distressing. He writes:

Because of this orientation toward efficiency, many problems in the economic system that are directly or indirectly attributable to the behavior of the firms are ignored. It is the choices, that some firms have made about consumption goods that have helped to generate pollution, congestion, and aesthetic blight, have fed our selfishness and materialism, and made the survival of the poor difficult. Some firm's decisions about production have helped lead to the depletion of resources and the waste of human talent through unemployment. Firms' decisions about prices transmit inflation. And the arm's-length style of firms in dealing with their constituencies has led to the breakdown of community in modern industrial societies. We cannot lay these problems at the feet of government and expect that, in the style of received economic theory, a benevolent efficiency maximizing bureaucracy will deftly step in to solve them. Government is a limited social institution, not an economists' *deus ex machina*. Nor will these problems disappear if we simply ignore them, as a superficial understanding of economic has led some to believe. We must ask how firms acting on Christian principles can alleviate these social ills.⁹¹

The singularly focused, profit maximizing paradigm, Tiemstra concludes, may be useful for lawyers, but for Christian economists it is not adequate. As an alternative, he advances a much broader interpretation of the firm, one premised on a nexus of human relationships. The firm consists of a number of constituent groups pulled together by a desire to sell and acquire those commodities produced by the firm, and do so in a way which serves the broader needs of management, workers, investors, customers, and the community. Commenting on the human element and how it relates to the firm's broader objectives, he writes:

A firm is a kind of community - a group of people working together with a common purpose. If all of the members of the community are to be sufficiently committed to this purpose, it can not be simply the interest of one of the constituent groups that is to be served. The purpose has to be one that all of the members can share. Since the firm is primarily an economic organization, its primary purpose must be an economic one. This economic purpose has to do with the calling of stewardship - the marshaling of the resources of creation to meet human needs.⁹²

Christian businessmen, Tiemstra goes to suggest, may be suspicious of the view he has presented here, believing that any effort on their part to act on Christian principles will be threatened by their nonChristian rivals who know no other motive, but to maximize profits. Tiemstra challenges this view, however, arguing that it presupposes an extreme form of competition which is not typical of most market structures. When a particular market is not characterized by cut-throat competition, as is the case with most markets, sufficient room exist for the application of stewardship principles. This is especially true when firms, Christian and nonChristian alike, are sensitive to the broader demands of the general public and when investors are willing to accept slightly lower returns in exchange for responsible behavior. "Since such behavior is not uncommon," Tiemstra concludes, "there is indeed room for Christian businessmen to behave Christianly without being driven out of business."⁹³

A Christian theory of the firm is predicated on some understanding of the role of management, investors, workers, customers, and the general public in shaping the operating decisions of the firms, and, more importantly, an understanding of what does and does not constitute responsible, Christian behavior on the part of each of these groups. A Christian theory of management should emphasize the role of stewardship in management decisions. The manager, according to this approach, would strive to serve the needs of a wide diversity of constituent groups, including those who have traditionally played only a minor or indirect role in management decisions such as low ranking employees, the community, and other third parties impacted by externalities.⁹⁴

It is Tiemstra's contention that the role he has set forth here corresponds in many ways to the way management currently operates. The primary difference being one of purpose. Under prevailing circumstances, management often adopts an adversarial relationship designed to minimize the influence of investors, government, workers, consumer groups, etc. in the decision making process. Under a Christian philosophy of management,

however, managers would work closely with all of these groups for the purpose of reaching an integrated and just approach to most business decisions.

The Christian approach, or the approach founded on the principle of stewardship, requires that management put itself in the customer's place. This implies that the manager should not only seek to know what the customer desires, but what such desires should be in light of our responsibility to God. "As a responsible consumer what products do I need to live my life well, to fulfill my calling before God?" In answering this question, management will be led "in the direction of products that are truly useful, well-designed, durable, safe and easy to use." By implication, management must listen to the customer. It should rely on advertising to inform the public, but never to mislead or manipulate the customer. It should strive to sell the product on the basis of good quality, a competitive price, and trust. "Management need not fear that useful, well-designed products and good service will be money-losers."⁹⁵

The investor must also exercise stewardship in his or her dealings with the firm. Part of this responsibility involves an oversight of management decision so as to insure that one's investment is being used in a just and judicious way. This may involve investor imposed limitations on the type of products the firm may produce, on how its capital is being used, on how it deals with customers and employees, and on its ability to conceal information pertaining to any of these areas. The investor has a right to expect a fair return on his investment - a return which is generally competitive with other forms of investment of comparable risk. A fair rate of return, however, does not imply the maximum rate of return; nor should it be thought of as providing an opulent life-style; or, as a source of financial security. "Our security," Tiemstra writes, "is supposed to come from God. If the level of real interest rates reflects a highly present oriented, consumption-oriented, security oriented style of living, it is not a proper response to the call of stewardship."⁹⁶

Finally, in making investment decision it is important for the investor to be familiar with the particular firm or firms in which investment is to be made. The investor should

possess some knowledge of the product or type of products the firm produces, ethical guidelines the firm or firms used in internal and external operations, how well these are followed, and the emphasis the firm or firms place on customer loyalty, employee relations, etc. If the investor instead chooses to invest through an institutional investor, it is important that he or she selects one which scrutinizes its investments on the basis of the same principles.⁹⁷

The foregoing principles have important implications for the type of product the firm produces, the technology it uses, and most importantly, its pricing decisions. As a rule of thumb, Tiemstra believes that firms should avoid products that appeal to consumer vanity and should seek to produce goods which minimize life-cycle costs. In determining the appropriate type of technology, firms should act out of a sense of stewardship rather than out of a desire to maximize profits. This implies an emphasis on capital using, environmentally benign, and worker-friendly technology. Finally, firms should set prices in accordance with long run cost criteria, avoiding the temptation to maximize profits through short run price increases.⁹⁸

Contrary to neoclassical theory, Tiemstra does not believe that the absence of short run price fluctuations will pose signaling problems to firms desiring to enter or leave a particular industry. Entry and exit, he maintains, could be adequately handled through a reliance on nonprice information - information which could and should be provided by both government and existing firms in the industry.⁹⁹

Interestingly enough, Tiemstra does not view the foregoing recommendations as a natural outgrowth of social consciousness or a greater acceptance of Christian business principles. The current organizational structure of firms, he asserts, is much too strong and self-oriented to permit such an outcome. With a change in organizational structure, however, there is, at least, in Tiemstra's judgment, reason to believe many firms would place nonprofit maximizing criteria at the top of their agenda. In making this assertion, he cites a number of organizational changes which might facilitate such a reemphasis. These include

a truly independent and diverse board of directors, with members representing workers, consumers, investors, the community, etc.; the establishment of an office or department which focuses on social issues; periodic social audits of firm behavior; the implementation of a code of conduct; and the establishment of industry councils which represent all concerned groups.¹⁰⁰

Tiemstra is strongly opposed to the type of adversarial relationships which have traditionally characterized business relations. "The Christian spirit is one of cooperation with our neighbors,"¹⁰¹ and not one of confrontation. The alternative to this he warns is a general breakdown in the social contract between business and the rest of America. Such development can only lead to more, not less, government regulation; a growing distrust of corporate America; the concentration of economic power; and a growing politicization of modern life that undermines our nation's freedom. "The continuance of free society," he concludes, "depends on the willingness of business to accept a new model of its role that is based on the givens of the Christian faith."¹⁰²

4.3. Work

Among the various constituent groups belonging to or otherwise interacting with the firm, Tiemstra looks upon the role of the worker as being especially significant, not only as it relates to economic activity, but in its own right, as a important element in God's personal relationship with His creation.

The neoclassical theory of labor, Tiemstra argues, fails to capture this emphasis, being premised on concepts which are largely at variance with the Christian view of work. Rather than being the focus and the objective of economic endeavor, the worker according to the neoclassical paradigm is simply an input into the production process, to be bought or sold in much the same way as any other input. Neoclassical economics also assumes that the purchase of the workers' labor affords the enterprise almost total discretion as to how labor is to be used, irrespective of the worker's wishes and legitimate needs. From the

workers' perspective, labor is assumed to be sterile and unrewarding, an undesirable means to a desirable end. Finally, neoclassical economics is founded on the proposition that firms will always attempt to pay as little as possible for a worker's service, a belief which runs counter to the Christian principle of a just wage. Neoclassical economic has, in Tiemstra's words, all but dismissed the "longer term covenantal relationships that are, in fact, very important to both worker and enterprise."¹⁰³

Tiemstra does not mean to suggest that neoclassical economics fails to reflect economic reality. In point of fact, firms and workers are commonly motivated by self-serving considerations, and such motives do indeed play an important role in how workers are hired and the type of work they perform. Such sentiment is to be expected in a culture which defines happiness in terms of wealth, status, materialism, and leisure. The problem, however, is that neoclassical economics affords such behavior a air of respectability, painting a fictitious picture of the economic role of individualistic, self-seeking behavior when it occurs and all but ignoring alternative explanations when it does not.¹⁰⁴

The contention that firms hire workers up to the point where marginal revenue product no longer exceeds the wage rate ignores the inability of most firms to measure marginal revenue product. Moreover, it is not clear whether firms would follow the standard textbook approach even if such information were available. Neoclassical theory also fails to provide an adequate explanation of long run disequilibrium conditions, such as unemployment, the persistence of intra- and interoccupational wage differentials, discriminatory hiring practices, etc. Finally, neoclassical economics generally ignores institutional considerations and the role stewardship plays in work related decisions.¹⁰⁵

Failures such as these have led Tiemstra to eschew the neoclassical view of work in favor of a Christian approach predicated on the overarching principal of stewardship. He writes:

A much more adequate theory to explain and evaluate relationships between workers and firms can be developed by basing the theory

(including empirical investigations) in Christian norms and principles derived from them, rather than on the false individualistic and materialistic norms of neoclassical economics. Chief among these norms is the fact that all people are stewards of all of 'their' resources, including their labor. They are not absolute owners of their labor, but are responsible to God for the use of it. This moral responsibility for the use of their labor (and other resources) cannot be eliminated by signing a contract giving others the right to determine its use. Thus legal and economic structures should provide all people opportunities for exercising these stewardship responsibilities; they should not make it difficult for them to do so, but should encourage them to do so...¹⁰⁶

In the same paragraph, Tiemstra goes on to exclaim, that work is closely related to the Christian view of economic justice. All families, he asserts, should have access "to the necessities of life"; they should "have the opportunity to develop and use their God-given labor resources;" and to do so in a way which comports with Christian stewardship. A Christian view of work means that "the economic opportunities for families and other institutions in society to fulfill their callings, now and in the future, should not be impaired."¹⁰⁷

As a steward of the resources entrusted to his use, the worker is called to be diligent in all of his duties, friendly and loving in his relationships with management and other workers, and responsible for the use of his own labor, including how it is being used and whether or not it is being used to produce or market goods beneficial to society. This latter responsibility is contingent on "all workers [having] access to full information about how the resources are or will be used by the firm."¹⁰⁸ It also implies a degree of worker control over the decision making processes of the firm. Since the economic and social cost associated with changing employment places severe limits on the workers' ability to choose between responsible and irresponsible firms, "it may be desirable to go beyond providing information to providing broad decision making role for all workers in the firm."¹⁰⁹

While there are no explicit biblical rules regarding rates of remuneration, the worker, according to Tiemstra, is entitled to a wage which is sufficient to support one's family. If this is not possible, the firm should take whatever measures are necessary - raising productivity, reducing excessive wages elsewhere, cutting back on other nonessential costs, etc. - to bring all wages up to a level where workers can support themselves and their family.¹¹⁰

Wages will obviously exceed this level in most cases, and there is no reason why firms should not pay some workers more than others if they engage in dangerous or unpleasant work, or if occupational shortages should dictate a higher wage. Despite such exceptions, market conditions, Tiemstra maintains, should not be a determinant of the firm's pay scale. He writes:

Workers should not receive higher rates of pay than others just because their productivity is high, because they have had large sums invested in their education, or because they are working with large amounts of capital. Market values of labor are not necessarily proper determinants of rates or pay within a firm. Although these values may have to be taken into account in order to fill some necessary positions, they should not be used to such an extent that some families cannot adequately support themselves.¹¹¹

Pay rates, he later asserts, should be determined by "the nature and degree of commitments shared by the members of the firm or those who control it."¹¹²

In an effort to gain a better insight into the nature of worker/firm relationships within the firm and how such considerations may relate to the foregoing principals, Tiemstra sketches a descriptive theory of various organizational structures. "Such a theory," he writes, "examines various type of organizations of firms and management structures, policies, and actions, to determine to what extent they promote good stewardship of resources."¹¹³ In making this determination, he surveys the following organizations structures: (1) firms controlled by owners of capital, hierarchically managed, and not unionized; (2) firms controlled by owners of capital, hierarchically managed, but unionized; (3) firms

controlled by owners of capital, cooperatively managed; (4) firms with workers as stockholders; (5) codetermination, an arrangement in which representatives of workers and capital suppliers share authority for decision making in the firm; (6) communal settlements; and (7) commonwealth or foundation owned firms.¹¹⁴

A survey of the nature and history of such structures reveals much concerning the practicality and feasibility of adopting stewardship principles as the primary objective of the firm and its workers. First of all, it is apparent that organizational structure does not by itself guarantee the wide-scale adoption of Christian principles. Second, it is, nevertheless, true that responsible stewardship is more likely to occur in a structure which permits some measure of worker participation. Third, equity in internal personnel decision making tends to be more prevalent in organizations which permit a greater degree of worker participation. Fourth, irrespective of the organizational structure, the commitments of the members of the firm and the policies they adopt have important implications from a stewardship standpoint. Fifth, a sharing of common commitments and goals is crucial to the establishment of truly cooperative and covenantal relationships. Sixth, shared commitment tends to diminish with larger firm size. Finally, evidence suggest that structures which allow and encourage worker participation tend to have higher levels of worker satisfaction and greater productivity.¹¹⁵

On the basis of such information, Tiemstra advances a number of recommendations designed to facilitate good stewardship in the work place. Effort should be taken to encourage firms to give workers a much greater role in the decision making process. This might be accomplished through specific measures designed to broaden participation on the board of directors, or the granting of worker co-determination on issues pertaining to working conditions or company policy. Tiemstra also approves of policies aimed at encouraging the formation and economic viability of small scale or worker managed enterprises. He favors the availability of partial unemployment insurance to workers when their hours are reduced, and stresses that firms should permit workers to develop their God

given talents. Firms should also adopt a cooperative rather than a authoritarian style of management, refraining from arbitrary discipline, and relying upon two-way responsibility throughout the firm. The employee should honor his part in this arrangement through diligent service and a cooperative attitude to other workers. Finally, the worker is not called to absolute allegiance to the firm, but must strike a balance between work and other stewardship obligations, such as family and church.¹¹⁶

4.4. Unions

Unions have traditionally played a unique role in the makeup and functioning of the American economy, so much so that Tiemstra devotes an entire chapter to this important form of economic organization. Conventional explanations of union behavior, according to Tiemstra, all but ignore the fact that unions are made up of human beings who are responsible for carrying out their economic affairs in a way which respects the stewardship principles laid down by the Creator. Whether or not unions abide by such principles is a crucial issue, and it is only through an understanding of Christian stewardship that such a determination can be made.

Upon providing a brief critique of the current theories of unions, Tiemstra advances "a theory from a Christian point of view." Such a theory, he declares, should be grounded on the principal that workers are responsible to God for the labor resources entrusted to them. They "are called by God to use [such resources] in the ways He has commanded."¹¹⁷ In accordance with this belief, unions should help workers to honor their stewardship responsibility. Since such responsibility may at times differ from the self-perceived interests of union members, it is important that union leadership recognize and honor principles which go beyond the narrowly focused desires and wishes of its members.

Stewardship also implies a just wage, acceptable working conditions, and meaningful employment, measures which unions should actively encourage. A just wage, Tiemstra writes, should be viewed as a wage high enough "so that the workers families' needs can

be met, but not so high as to endanger the provision and sustainability of employment opportunities of workers."¹¹⁸ Nor should wage demands be so excessive as to place an unfair burden on the poor of society who may be directly or indirectly harmed by such policies.

Unions should also serve as mediators between worker and management, helping workers to achieve security in their opportunities to work, aiding workers in developing their God-given talents, helping workers to redress grievances, and providing a measure of worker control over company decisions. Such measures should be achieved through cooperation rather than through coercion, and "workers should be free to join and be represented by unions of their choice and to refrain from joining a union when their conscious forbid it"¹¹⁹

A brief review of American union history reveals that unions have often failed to abide by the foregoing stewardship principles, engaging in discriminatory practices, feather bedding, productivity reducing work requirements, coercion and violence, and, in some cases, racketeering. Excessive union demands have also contributed to the demise of companies, industries, and entire communities. Despite such obvious forms of irresponsible behavior, Tiemstra concludes that unions have on balance contributed to the general welfare of working people, providing workers a greater measure of security, greater opportunities for creativity in the work environment, a redress to unfair labor practices and dangerous working conditions, a measure of control over company decisions, and, of course, higher wages and benefits. In weighing the pluses and minuses, Tiemstra concludes, that a theory of unions must distinguish between what is good and what is not, and seek to encourage the former and discourage the latter, a view which is keeping with the Christian view of stewardship.¹²⁰

4.5. Government and Microeconomic Policy

As was the case with his analysis of the family, the firm, and work, Tiemstra initiates the discussion on government with a critique of neoclassical economics and how it

fails to comport with a Christian understanding of stewardship and justice. The neoclassical view of government is to promote the social welfare. While this is not necessarily antithetical to Christian principles, the secular rendition of what constitutes social welfare is almost totally divorced from a Godly mandated view of the social good, being roughly equivalent to the aggregate level of self-perceived utilities of all members of society. The role of government, according to this view, is to foster an increase in aggregate utility, with the understanding that no one should be made worse off by such efforts. Whether or not governmental policy meets this criterion is the litmus test for good government.¹²¹

Tiemstra is highly critical of welfare economics, arguing that it is premised on fundamentally non-Christian philosophical foundations. There is no Christian basis in believing that each person is always the proper judge of what is best for himself. Moreover, in a sinful world, there is no reason to believe that a Pareto optimal improvement as measured by personal valuations reflects an improvement in social welfare. Other dubious assumptions include the belief that an insatiable desire for more is both normal and good; that economic welfare is separable from other forms of welfare, such as fraternity and love; that "tastes" or preferences are exogenous and, hence, unrelated to the decisions and actions of other economic agents; and that interpersonal comparisons of welfare are invalid. All of these assumptions run counter to the Christian view of human nature and justice. What is needed, Tiemstra argues, is a Christian interpretation of government, one which "does not see the function of the state as rooted in increasing the self-perceived utilities of its citizens," but rather as an "institution ordained by God, and thus subject to the norms He has set down for it."¹²²

Building upon the thought of Wolterstorff, Bruner, Dooyeweerd and others, Tiemstra takes the position that "the state is a God-ordained institution which God has endowed with power to compel obedience." In carrying out this directive the state must act in a just and judicious manner. While "the state is the only institution that legitimately has a power of compulsion over all members of a society, ... it may only act in a just way to

achieve these ends." This implies among other things that the state "must acknowledge the God-given rights of individuals and other institutions (for example, family and church) to their existence and to whatever is necessary for them to carry out their God-given callings." It also implies that the state should refrain, except as a last resort, from appropriating the responsibilities and functions of other institutions.¹²³

The state in Tiemstra's thought is ultimately an instrument of justice. When prevailing social, institutional, and economic arrangements fail to provide for such an outcome, it is the responsibility of the state to intercede so that justice might be served. A capitalistic market economy may fail to allocate national output in a way which serves the legitimate needs of the future. Market intervention may be needed in this case to overcome a bias toward current consumption. Capitalism also has a tendency to distribute income in such a way that some families are unable to exercise stewardship over God's creation. Such an outcome, according to Tiemstra, is "obviously unjust from a Biblical standpoint," and it is the role of the state to act on behalf of those who are unable to "fulfill their God-given roles in the economy and society in general."¹²⁴

State intervention may also be appropriate in the case of externalities, the provision of public goods, monopolistic or oligopolistic market structure, unemployment, inflation, and any other social or economic failure which interfere with the Christian principle of stewardship. The scope and extent of state intervention will depend, however, on the stewardship practices of the institutions and people associated with such problems. In general, the less willing individuals, families, churches, businesses, local government, etc. are in performing their God-given functions, the greater the need for government intervention.¹²⁵

Having established the Christian principles of stewardship and justice as the fundamental basis for government, Tiemstra then turns to the subject of prevailing economic policy and the degree to which it does or does not measure up to such standards. With

regard to income distribution, he writes that a just economic order requires that all families have:

- 1) access to the goods and services necessary for them to live and fulfill their God-given roles in society;
- 2) opportunities to develop and use their labor resource... so that they can provide for themselves; and
- 3) opportunities to be responsible decision making stewards of resources, both in production and consumption.¹²⁶

An evaluation of U.S. statistics on income and poverty reveals that none of these three standards is met. By the government's own estimates, approximately 29 million people were categorized as poor in 1980, and the poverty level threshold used to derive such numbers are, in Tiemstra words, "very low in relation to the income required to provide the food, shelter, medical care, education, transportation, and other resources necessary to function in our complex, affluent society." Since government figures demonstrate that most of the heads of households comprising this group either worked, or lacked the opportunity or ability to work, Tiemstra concludes, that those who are "below the poverty line are there because they do not have access to enough income from their own earning or other sources."¹²⁷

Such an outcome, however, is avoidable, and it is the role of government to advance measures designed to accomplish this very end. It may be necessary to greatly expand governmental transfer payments to those who are unable to work. Poverty among those who are able to work, on the other hand, can be addressed through a number of measures including a focus on educating and training unskilled or low paid workers; fewer incentives to collect social benefits and more incentives to work (current social programs often act as a disincentive); effective antidiscrimination policies; a negative income tax; a wealth tax; greater progressiveness in the income tax; and, perhaps most importantly, a redirection of governmental effort towards creating long-term, good-paying jobs. "The

biggest reason, there are welfare recipients who do not work," Tiemstra writes, "is the lack of available jobs, not an unwillingness to work."¹²⁸

Government, Tiemstra declares, also has a responsibility to remedy or ameliorate market failures caused by externalities, the "free-rider" problem, noncompetitive market structure, etc. Rather than focusing on efficiency, however, governmental policy should be premised on justice. An efficient outcome, Tiemstra declares, may not be a just outcome, and a just outcome may not be an efficient outcome. In such cases, justice should be the determining factor. As an example, Tiemstra points to the case where a tax on pollution discharge may be efficient in the sense that it equates marginal external costs to marginal external benefits, but is inequitable in its treatment of different social claimants. This might occur "if those harmed by the external costs are not compensated (and normally they are not), or those receiving benefits are not in any way charged for them (as is often the case)."¹²⁹ A second example would be the incomparability between an economic valuation placed on human life, such as medical care and lost income, and the social valuation, which would reflect the beliefs and values of the community. "Christians," Tiemstra writes, "would often want to place a higher value on life and health than these individual valuations, even if they cannot give a value for calculating it."¹³⁰ In such cases, justice and morality should take precedence over narrowly defined monetary estimates.

Similar reasoning applies to public goods, antitrust policy, health and resource regulation, consumer protection, "merit wants," etc. In all such cases, the solution proffered by government must take into account considerations which transcend the neoclassical view of efficiency. Among the noneconomic considerations government should consider are equity, the concentration of economic and political power, stewardship, and a preference for what is "good" over that which is not. Commenting on this final consideration, Tiemstra writes:

Not every public good that individuals want and that therefore would pass a standard cost/benefit test, or everything that some (or even a

majority) consider a merit want, should be provided by the government, because desires are distorted by sin, and providing them might lead to less justice and lower welfare for society. As possible examples of such public goods consider a development project that would destroy a native people's mode of life (such as the McKenzie pipeline [McCallum et al, 1977]) or pornographic programs on public TV (which could conceivably be desired by enough people to be 'efficient'). As a possible example of a bad 'merit want,' consider abortion on demand.¹³¹

Government, Tiemstra concludes, does have a legitimate role in the economy. But, similar to any other form of economic institution, it may fail to exercise proper stewardship. An economic theory premised on the Christian principle of justice should evaluate government on this very basis, providing a framework by which to distinguish responsible government, which acknowledges the rights of all individuals and institutions to fulfill their God-given callings, from irresponsible government which does not.¹³²

4.5. Government and Macroeconomic Policy

The modern macro economy, according to Tiemstra, is not simply an aggregate collection of relatively well-ordered, flexible markets. Institutional constraints and non-market determinants such as administered prices, structural impediments to hiring and layoffs, the existence of primary and secondary labor markets, and nonprice competition contrive to limit the role of price as an equilibrating mechanism. The effect of such impediments is to accentuate contractionary or expansive swings in the economy, placing the full effect of adjustment on the least secure, lowest paid segment of the labor force. That such a result is incompatible with the Christian principles of stewardship and justice is, in Tiemstra's estimation, axiomatic. The only question is: What should be done?

Orthodox macroeconomic theory does not provide much of an answer. Standard textbook treatments on the subject generally separate economic activity into two distinct categories: the goods market, where real income, employment, and output are determined by the labor market; and the money market, where the price level, including money wages, is determined by the money supply. Both fiscal and monetary policy are held to have some

short-term expansionary effect on employment and output. In the long run, however, all markets clear and whatever level of unemployment exists is assumed to be voluntary. The role of government is thus reduced to controlling inflation through strict monetary control or encouraging private investment through a reduction in government deficits.¹³³

This stylized view of reality is premised on a largely outdated conception of how a modern economy truly works. While markets do in fact clear, the almost seamless transition from one long run macroeconomic equilibrium to another posited by market enthusiasts ignores the cumulative and long-term influence of business cycles on governmental regulation, organizational behavior, and labor market structure. As an example, Tiemstra points to the subtle yet significant changes which have taken place within the firm during the postwar era. The modern corporation has evolved into a multidimensional, multipurpose organization, relying upon organizational structure, employee cooperation, morale, and customer loyalty to achieve a balanced mix of profit, stability, and long run survivability. Highly advanced marketing strategies, superior organizational structure, and the training and retention of a skilled and motivated work force, according to this view, allow the firm to earn an acceptable rate of return while providing it with the continuity and market power to survive and even prosper under less than favorable conditions. The objective here is on maintaining a viable, structurally resilient organization, and this implies a decision making framework which is quite different from the short run profit maximizing paradigm posited by neoclassical economists.¹³⁴

Most modern firms, Tiemstra goes on to suggest, seek some measure of relief from the ravishes of competition, and they are able to accomplish this through a variety of marketing strategies. One interesting consequence of this is that prices are no longer determined by competitive market conditions, but are set by firms as they attempt to maintain a comfortable, if nonaggressive, position in the market. Administered prices, according to Tiemstra, allow firms to reduce the costs of frequent price changes, to strengthen long-standing relationships with favored customers, and to reduce the uncertainty and costs

associated with price competition. Commenting on this practice and how it has come to dominate the American economic landscape, Tiemstra writes:

There may remain in a modern industrial economy a few industries in which traditional market forces predominate in the price-setting process. An example might be agricultural commodities, though in that case the government plays a very important role. But in most product markets the sellers are price-makers. A printed price tag is attached to the goods, and the seller will tolerate a minimum of haggling. These administered prices are relatively inflexible, that is, they do not respond rapidly or sensitively to changes in market conditions, particularly changes in demand.¹³⁵

It is not only commodity markets which fail to clear on the basis of price, but labor markets as well. The modern labor market consists of two distinct categories: the primary market and the secondary market. The primary market, is governed by institutional considerations and is characterized by a high degree of organizationally specific skills and knowledge, considerable on the job training, poorly defined markets, and an emphasis on continuity, organizational hierarchy, cooperation, and worker loyalty. The secondary market reflects the more traditional view of labor markets, with the wage rate being determined in an auction-like manner by a relatively large number of buyers and sellers of labor. The primary market, as one might expect, reflects an institutional view of economics, the secondary market, a neoclassical view.

A proper understanding of the primary labor market is particularly important if one hopes to secure a just and lasting solution to the nation's macroeconomic problems. Consisting largely of a professional, white-collar work force, the primary labor market defies standard textbook interpretations. Owing to institutional peculiarities, many, if not most, of the positions falling within this general heading require skills which are highly specific to the place of employment. Since such skills can only be acquired through extensive on-the-job-training, and since these skills are of much less value to other organizational entities, both the firm and the employee have a vested interest in maintaining long-term

employment commitments. "The [primary] labor market is not so much a marketplace for existing skills, but a marketplace for training positions."¹³⁶

Added to this fact are other factors mitigating against significant changes in the size and composition of the primary labor force. Perceptions of fairness limit the employer's ability to displace high paid, experienced workers with low paid, inexperienced workers. Long-standing policies designed to foster morale, cooperation, and continuity accentuate this emphasis, as firms strive to improve productivity through the retention of a loyal, well-motivated work force. Finally, the ability of firms to cut costs or improve productivity through selective personnel changes or wholesale reductions in force is limited by a dearth of qualified employees, significant hiring costs, and an inability to differentiate among qualified applicants.¹³⁷ Upon assembling a productive, well-experienced core of skill workers, employers have a strong interest in maintaining it, irrespective of short-term business conditions. Commenting on this phenomenon, Tiemstra writes:

Our nonmarket analysis suggests that both the quantity and price of labor services are impervious to general business conditions. A slowdown in the pace of economic activity, leads to stock-piling of employees with specialized training because of the expense involved in training new workers when the economy recovers. Real wages do not drop, either relatively, because of the perceived fairness of the existing wage structure, or absolutely, because recently experienced rates of money wage increase also became institutionalized as fair and are independent of short run business conditions.¹³⁸

Suppose that wages increases averaged ten percent the previous year. Then, unless the inflation rate has declined dramatically, employers would be hard pressed to offer, say, a five percent wage increase in the present year, even if business conditions warranted such an increase.

Not surprisingly, institutional wage structures, such as that described here, tend to have a considerable effect on inflationary pressure throughout the various phases of the business cycle. As sales expand during the initial stages of an economic recovery, material costs will rise, but unit costs may decline as the productivity of previously underemployed

primary workers starts to rise. Profits and business investment both increase while prices remain relatively stable. As the recovery proceeds, however, institutional considerations come into play. Firms are now required to match pay increases offered to entry level employees. This in turn has a ripple effect on the pay offered to other workers as firms endeavor to maintain long-standing hierarchical pay scales. Wage increases in some sectors of the economy will fuel higher wage demands in other sectors as employees reassess their beliefs as to what is and is not just compensation. As the economy moves into recession, real wages in the primary sector may actually rise in response to inflationary expectations and institutionally mandated raises based on seniority and rank. The net result of all of this is to dampen the effect of macroeconomic policy instruments as a tool for combating inflation. "As the economy evolves from the market structure to one of administered prices the market remedy of fighting inflation with recession becomes progressively less workable."¹³⁹

A second and perhaps even more significant consequences is the gradual development of a secondary labor market. As the percentage of highly skilled personnel grows as a proportion of the firm's total work force, the firm faces something of a dilemma. It can either accept greater profit variability over the course of the business cycle, or it can reduce its fixed costs by making fewer long-term employment commitments to unskilled workers. It is Tiemstra's contention that most firms have adopted the latter of these two options, extending permanent, full-time employment to only enough workers to meet some minimal level of production. Any additional output is met by hiring workers as they are needed on a short term basis. Tiemstra refers to this latter group as the secondary labor force, a group of workers whose "jobs will exist only for so long as the level of economic activity remains high."¹⁴⁰

The long-term prospects of those who are forced to work under such conditions is anything but favorable. Since their employment is considered temporary, employers have, in Tiemstra words "little incentive to assume the costs of any training costs which would

boost their productivity." Workers, in turn, view their work not as a cooperative or as a creative outlet, but in narrow instrumental terms. "The assembly worker with a narrow assignment has no choice but to perceive his work as a set of routine procedures or habits which he memorizes and then repeats in appropriate order." Since he lacks even a rudimentary knowledge of other facets of the production process, he is subject to continuous supervision, and is viewed more as machine or a material input than as participant in a humanized work community. "Little loyalty, responsibility, or concern can be expected from either side in this personal exchange."¹⁴¹

Macroeconomic policies designed to curb inflation add to the woes of this beleaguered class of workers. Unlike the primary labor force, which is largely insulated from cyclical variations, the secondary labor force "will exhibit some responsiveness to the forces of supply and demand because conditions in this market do approximate the standard textbook assumptions of homogeneous labor services which can be readily employed and just as readily disemployed."¹⁴² Indeed, one of the principal reasons anti-inflationary measures are effective is because they induce a drop off in the demand for secondary labor. Such measures have limitations, however. "As the secondary labor market shrinks in relative size, over time recessions will have to be larger or longer to achieve a given reduction in the inflation rate."¹⁴³ Anti-inflationary policy, concludes Tiemstra, not only discriminates against the secondary labor force, but does so at ever greater cost to the poor.

Compounding the foregoing problems is a tendency for secondary workers "to suffer a decline in real wage income relative to workers in the primary market where wage increases are not particularly sensitive to demand"¹⁴⁴ This phenomenon, which has been neglected in most standard treatments of macroeconomic policy, can be attributed to two causes: first, as noted previously, employers have very little incentive to invest in much needed training; and, second, irregularity in employment and earnings impose significant psychological and social costs on secondary workers, reducing both their perceived an

actual value to employers. This latter problem is compounded by a gradual erosion in family and community structure and an inability or desire to invest in long-term income producing assets, such as education. Commenting on the psychological and social consequences imposed on this segment of the population, Tiemstra writes:

The resulting economic costs are quickly transformed into personal and family costs, which have little to do with the textbook story of declining utility directly induced by a reduction in consumption. Loss of employment imposes strain and tension on all family members due to the preoccupation of parents or spouse with debts and job seeking. Old routines are disrupted and a person's sense of worth and responsibility is shattered by the realization that one's employment can be taken away. The loss of identity (people frequently introduce themselves by describing their occupation, not their family or the size of their bank account) and psychological anguish are frequently so great that the recently fired find it difficult to venture outside of their homes, let alone fill out employment applications and participate in interviews. The resulting deterioration in physical and mental health is such that according to a recent study, a one percent increase in the long-term unemployment rate ultimately causes 30,000 extra deaths each year.¹⁴⁵

If the economic costs of anti-inflationary policy is so great, one would expect some compensatory benefit as justification for such policies. Yet, this may not be the case. The long run cause of inflation has as much to do with various groups seeking a greater share of real income as it does with too much money chasing too few goods. As suggested above, anti-inflationary policy has a tendency to redistribute income from the secondary labor force to the primary labor force. With a resurgence in economic activity, the earning power of the secondary labor force expands faster than the rate of inflation, reversing the previous redistributive process through a resurgence in inflation. The only means by which the primary labor force can retain the distributional advantage it held during the previous economic downturn is through a reduction in the real earnings of the secondary labor force, and this can only be accomplished through successive increases in the unemployment rate.¹⁴⁶

Tiemstra uses a modified version of the Phillips curve to describe "successive upward revisions of the natural rate of unemployment, the rate of unemployment consistent with nonaccelerating inflation."¹⁴⁷ According to the more traditional market clearing approach, the curve will be convex to the origin in the short run as both output and prices adjust to variations in aggregate demand. In the long run, however, the curve is represented by a perfectly vertical line signifying that one and only one rate of unemployment, the voluntary rate, is consistent with any rate of inflation.

The two-tier labor market approach posited by Tiemstra, on the other hand, depicts precisely the opposite result. The long run rate of inflation, in this case, is determined by exogenous, cost push considerations within the primary labor market, and any level of unemployment is, in the long run, consistent with this rate. Similar to the market clearing approach, the short run Phillips curve is concave to the origin, depicting the tradeoff between unemployment and inflation. In the long run, however, the Phillips curve is horizontal, illustrating that the core rate of inflation is exogenous and that various rates of unemployment are consistent with this core rate.¹⁴⁸

The Phillips curve interpretation clearly demonstrates that the full burden of adjustment falls upon workers in the secondary market, contributing to their economic insecurity and hardship. There is a silver lining to all of this, however. Since long run unemployment and inflation are assumed to be independent, price controls will not necessarily interfere with the supply and demand for labor, nor will a nonmarket solution be necessarily inferior to a market solution from the standpoint of economic efficiency. In view of this fact, wage and price guidelines, the only other policy instrument adopted during the post-war era, now becomes a much more acceptable alternative. "It is difficult to argue," Tiemstra writes, "that the government should not be allowed to influence wage and price decisions when such decisions are already being determined outside of market mechanisms."¹⁴⁹

Quite the contrary, declares Tiemstra, for it is evident that negotiated wages in one sector of the economy may impose costs on another sector of the economy. When those most affected by such costs are those least able to provide for themselves or their families, the issue takes on a much greater meaning - the advisability of wage and price controls no longer turns on the question of efficiency, but on the much more important question of justice. Commenting on the relationship between macroeconomic externalities and justice, Tiemstra writes:

But we have already seen that the inflationary process which is generated by the sum of these private agreements imposes costs on non-participants, particularly those who continue to live in the market economy. Protection of those who are not represented in the negotiation process becomes a matter of justice. Wage-price guidelines are a means of allocating the existing income to competing groups. Inflation and recession will accomplish the same purpose, but with the outcome tilted in favor of the economically powerful.¹⁵⁰

Tiemstra is of the belief that the current set of stop-and-go policies contribute rather than abate the long run trend toward higher unemployment rates. What is needed is a policy aimed at stabilizing employment and output rather than the price level. Contrary to common belief such efforts will not necessarily lead to higher inflation, especially if adequate measures are adopted to control the rate of wage inflation. "If unemployment can be reduced without institutionalizing the wage inflation, then the wage inflation should subside after reaching the lower level of unemployment."¹⁵¹ Such a policy will provide the macroeconomic stability needed to introduce more far reaching policies designed to enhance productivity growth and ensure economic security.

In concluding his discussion on macroeconomic policy, Tiemstra criticizes the current preoccupation with economic growth, arguing instead that "the preservation of nature, of quiet, peace, social harmony, and equity is more important than the production of additional physical output in the promotion of personal and social development."¹⁵² Current economic wisdom has generally ignored such considerations, contributing to a

one-sided distorted view of social development. Instead of relying upon and fostering an unGodly faith in materialism, governmental policy should emphasize cooperation and traditional values, ensuring that those who are unable to meet their stewardship commitment to God should be given the opportunity to do so. "Surely it is not asking too much," Tiemstra writes, "to require that the government examine the faith propositions upon which its own objectives are based and refrain from practices which have proven antithetical to the viability of family responsibilities and Christian principles of stewardship and sharing." This "does not amount to a call for greater government activism, but, rather, an acknowledgment and respect for the alternative values of interpersonal responsibility, sharing, and stewardship that emanate from the family and the church."¹⁵³

5. Conclusion

In the final chapters of his book, Tiemstra addresses the issues of economics and ecclesia and international economic activity. In both cases, he draws upon the very same biblical principles which have shaped the foregoing discussions on the firm, work, and government. "Christians should expect that God's will be done in earth as well as heaven."¹⁵⁴ God's will, in this case, can be accomplished at an individual or local level or at an international level, as typified by international Christian charity and missionary work. Such efforts do not obviate the need for governmental help both at home or overseas, but simply serve to facilitate and, in selected cases, replace governmental efforts to secure justice. What is important to keep in mind is that all men, in whatever capacity they may operate, have a responsibility to abide by stewardship principles as they interact with their fellow human beings. This is true whether or not the individual lives next door or half way around the world. Godly service implies a concerted efforts to establish social and economic justice, not only locally or nationally, but everywhere on earth.

In the final chapter of his book *Reforming Economics*, Tiemstra takes stock of the Christian approach he has brought to the study of economics. Central to his

perspective is the belief that economics is implicitly premised on normative structures and norms for human activity and that a Christian perspective on economics must recognize this. Economics, for this reason, should be premised on an explicitly normative understanding; recognizing the role of good and evil in human affairs as reflected in the "human response to God's call for obedient living."¹⁵⁵ The fact that humans can choose to be obedient or disobedient is what makes the normative concept so important.

Value-laden economics, however, is not derived from a vacuum. It must be founded on Christian moral principles which acknowledge both the Word and Jesus Christ as a true and valid source of knowledge. This implies not only a knowledge of what is good and true, but also a knowledge of how sin can and has thwarted God's will here on earth. "Sin," writes Tiemstra, "... entered the world as we know it through a very basic act of disobedience, and a true understanding of the human response must recognize this fact." Sin, however, was conquered on the cross, making the obedient life possible, and because of this we should see the evidence of obedience and disobedience in all areas of life, including economics. It is Tiemstra's hope that he "has pointed out a way to this obedience."¹⁵⁶

Obedience, as it is defined here, is closely related to the Christian concept of stewardship. Every person is given the responsibility to manage God's creation as a way to attain well-being and peace for himself and others. This rules out the Godless, humanistic man posited by neoclassical economics. "Man's will and actions," Tiemstra writes, "must reflect those of the One who has assigned him to his office as manager." There is also no room for self-interest, "but," in Tiemstra's words, "only the interest ... of the One who has made the assignment." In place of the self-seeking autonomous man, Tiemstra posits another type of individual - the individual who is motivated by a sense of duty to serve God and others.¹⁵⁷

In closing, Tiemstra emphasizes that the suggestions he has presented for a new approach to economics only lays "the ground-work for the development of a genuinely

Christian perspective on economic theory." By his own reckoning, he has only sketched the "the rough outlines of such a perspective, with emphasis on the basic principles which will undergird the work."¹⁵⁸ Much still needs to be done, and it is his prayer and the prayer of others who contributed to *Reforming Economics* "that the gracious Spirit of the Lord may bring this initial effort to fruition."¹⁵⁹

Footnotes

- ¹ Gay, Craig M., *With Liberty and Justice for Whom?*. Grand Rapids, MI: William B. Eerdmans, 1991. p. 134.
- ² Kuyper, Abraham, *The Problem of Poverty*. Opening Address at the First Christian Social Congress in The Netherlands, November 9, 1891. Edited and Introduced by James W. Skillen, Grand Rapids, MI: Baker Book House, 1991, p. 46.
- ³ *ibid.*, p. 60.
- ⁴ Quoted from Hoksbergen, Roland. "A Reformed Approach to Economics: The Kuyperian Tradition." *Bulletin*: Association of Christian Economists, Fall 1992, p. 8.
- ⁵ *op. cit.*, Kuyper, p. 19.
- ⁶ *op. cit.*, Gay, p. 135.
- ⁷ *ibid.*, p. 135.
- ⁸ *ibid.*, p. 137.
- ⁹ *ibid.*, p. 138.
- ¹⁰ *ibid.*, p. 138.
- ¹¹ Wolterstorff, Nicholas, *Reason Within the Bounds of Religion*. William B. Eerdmans, 1976. p. 62.
- ¹² *ibid.*, p. 63.
- ¹³ *ibid.*, p. 66.
- ¹⁴ *ibid.*, p. 72.
- ¹⁵ *ibid.*, p. 74.
- ¹⁶ *ibid.*, p. 74.
- ¹⁷ Tiemstra, John, "What Should Christian Economists Do? Distinctively Christian Economics." Unpublished paper presented before the Association of Christian Economists, Boston, 1994, p. 1.
- ¹⁸ *ibid.*, p. 1.
- ¹⁹ *ibid.*, p. 1.
- ²⁰ Tiemstra, John P. et. al., *Reforming Economics: Calvinist Studies on Methods and Institutions*. Lewistown, NY: Edwin Mellen Press, 1990. p. 68.
- ²¹ *ibid.*, p. 69.
- ²² *op. cit.*, Tiemstra (1994), pp. 1-2.
- ²³ Tiemstra, John P., "Christianity and Economics: A Review of Recent Literature." *Christian Scholar's Review*, 1992, p. 232.
- ²⁴ *ibid.*, pp. 232-233.
- ²⁵ *ibid.*, p. 236.
- ²⁶ *op. cit.*, Tiemstra, *Reforming Economics*, p. 37.
- ²⁷ *ibid.*, pp. 38-52.
- ²⁸ *ibid.*, p. 40.
- ²⁹ *ibid.*, p. 40.
- ³⁰ *ibid.*, p. 40.
- ³¹ *ibid.*, p. 41.
- ³² *op. cit.*, Tiemstra, "Christianity and Economics," p. 236.
- ³³ *ibid.*, p. 237.
- ³⁴ *ibid.*, p. 237.
- ³⁵ *op. cit.*, Tiemstra, *Reforming Economics*, p. 56.
- ³⁶ *ibid.*, p. 56.
- ³⁷ *ibid.*, p. 56.
- ³⁸ *ibid.*, p. 57.
- ³⁹ *ibid.*, p. 57.
- ⁴⁰ *ibid.*, p. 83.
- ⁴¹ *ibid.*, p. 83.
- ⁴² *ibid.*, p. 86.
- ⁴³ *ibid.*, pp. 87-88.

- 44 *ibid.* p. 92.
- 45 *ibid.* pp. 93-94.
- 46 *ibid.* p. 66.
- 47 *ibid.* p. 94.
- 48 *ibid.* p. 95.
- 49 *ibid.* pp. 94-98.
- 50 *ibid.* p. 98.
- 51 *ibid.* p. 98.
- 52 *ibid.* p. 99.
- 53 *ibid.* p. 99.
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- 55 *ibid.* p. 105.
- 56 *ibid.* p. 104.
- 57 *ibid.* p. 104.
- 58 *ibid.* p. 105.
- 59 *ibid.* p. 106.
- 60 *ibid.* p. 107.
- 61 *ibid.* p. 108.
- 62 *ibid.* p. 109.
- 63 *ibid.* p. 109.
- 64 *ibid.* pp. 72-73.
- 65 *ibid.* p. 115.
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- 70 *ibid.* pp. 117-118.
- 71 *ibid.* p. 118.
- 72 *ibid.* p. 133.
- 73 *ibid.* p. 137.
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- 76 *ibid.* pp. 137-138.
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- 81 *ibid.* pp. 141-151.
- 82 *ibid.* pp. 151-153.
- 83 *ibid.* p. 154.
- 84 *ibid.* pp. 154-156.
- 85 *ibid.* p. 155.
- 86 *ibid.* p. 158.
- 87 *ibid.* p. 158.
- 88 *ibid.* p. 165.
- 89 *ibid.* p. 167.
- 90 *ibid.* p. 168-169.
- 91 *ibid.* p. 169-170.
- 92 *ibid.* p. 167.
- 93 *ibid.* p. 170.
- 94 *ibid.* pp. 170-171.
- 95 *ibid.* p. 172.
- 96 *ibid.* pp. 172-173.
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- 98 *ibid.* pp. 176-180.
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117 *ibid.* p. 210.
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120 *ibid.* pp. 221-223.
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125 *ibid.* p. 223.
126 *ibid.* p. 234.
127 *ibid.* p. 235.
128 *ibid.* pp. 235-236.
129 *ibid.* p. 239.
130 *ibid.* p. 240.
131 *ibid.* p. 243.
132 *ibid.* p. 248.
133 *ibid.* p. 263.
134 *ibid.* pp. 256-257.
135 *ibid.* pp. 263-264.
136 *ibid.* p. 265.
137 *ibid.* p. 265.
138 *ibid.* p. 266.
139 *ibid.* pp. 266-268.
140 *ibid.* pp. 268-269.
141 *ibid.* p. 269.
142 *ibid.* p. 270.
143 *ibid.* p. 270.
144 *ibid.* p. 271.
145 *ibid.* pp. 271-272.
146 *ibid.* p. 272.
147 *ibid.* p. 272.
148 *ibid.* pp. 273-275.
149 *ibid.* p. 275.
150 *ibid.* p. 275.
151 *ibid.* p. 278.

- 152 *ibid.*, p. 280.
- 153 *ibid.*, p. 281.
- 154 *ibid.*, p. 286.
- 155 *ibid.*, p. 318.
- 156 *ibid.*, p. 319.
- 157 *ibid.*, p. 320.
- 158 *ibid.*, p. 322.
- 159 *ibid.*, p. 323.

Anthony Waterman

1. Introduction

Anthony Waterman - Anglican priest, historian, theologian, and economist - was born in Southampton, England in 1931. He received his B.A. and M.A. degrees from Selywyn College, Cambridge in 1954 and 1958; his bachelor of theology from St. John's College, Winnipeg in 1962; and his Ph.D. in Economics and Economic History from Australian University in 1968. A nationalized Canadian citizen since 1964, Waterman has held various positions in the Anglican Church, including assistant priest and priest, honorary assistant to the Bishop of Rupert's Land, and member of the National Executive Council. In addition to such work, he has taught economics and theology at a number of colleges and universities in Canada, Australia, and England and has published on a wide range of issues pertaining to Christian economics.¹

Given his dual interest and expertise in both economics and church affairs, Waterman was called upon during the 1970s to chair the Anglican National Task Force on the Economy. While the result of this endeavor was by his own reckoning less than hoped for, the exercise initiated a long and exhaustive research program on the history and legacy of early 19th century Christian economic thought. This effort eventually culminated in the publication of his *Revolution, Economics & Religion* (1991), an insightful account of how early 19th century political developments, theological discourse, and classical political economy coalesced into a recognizable school of thought, referred to by Waterman as "Christian Political Economy."²

2. Theodicy

In the mid-1960s, Waterman was invited by Douglas Hobson, then Rector of St. Phillips Church in Canberra, Australia, to take part in a series of Lenten addresses on "the beginning." As an economist, Waterman was asked to write his address on 'evil,' a subject

which both Hobson and he agreed would be appropriate for an economist. In 1991, Waterman was once again invited to deliver a lecture, this time as a memorial to Douglas Hobson, and as before he chose to lecture on the subject of evil.³

"There is a sense," Waterman writes, "... in which it is quite proper to regard an economist as an expert in 'evil.'" The problem of scarcity presents a formidable dilemma, requiring the human race to make choices, not only with regard to evil, but with regard to what is good. This has two dimensions. The first is theological: "Why did God make a world in which we can't have everything we want?" Much of the suffering which exists in the world can be attributed to scarcity, and the question as to why this is so is one in which no one is excused from not asking. The second dimension is economic: "How do we make the best of a bad job?" Economics starts from the premise that scarcity, similar to other types of evil, is undesirable, but because it exist, an effort should be made to ameliorate its effect. "Economics," writes Waterman, "is the science of minimizing certain forms of evil."⁴ In order to gain a better understanding of the relationship which exists between these two distinct dimensions, Waterman provides a brief discussion on the problem of evil from the standpoint of the Christian religion and how it has changed over the years; explains why the terms 'social justice' and 'human rights' are counterproductive as ameliorating instruments; and, finally, examines the "ways in which economics may contribute to these matters."⁵

"Evil," Waterman writes, "is the fundamental intellectual and spiritual challenge to Christianity." It is well-known that innocent people are "tortured by cancer," wiped out by natural disaster, bereaved by the loss of loved ones, and "violated, terrorized, and slaughtered." "Why does God allow it?" This question, Waterman declares, cannot be avoided, and it is one in which there is no completely satisfactory answer. "The Hollywood ending of the Book of Job only confuses the issue. St. Paul's explanation in terms of Adam's original sin leaves many loose ends; and when St. Augustine and "Jean" Calvin tie them up as they do so thoroughly, the result is morally outrageous." Evil, Waterman concludes, is

an undeniable part of life, and it is something a Christian must accept as part of life without fully understanding why this should be so.⁶

Christians, however, are also required to believe in the existence of an all-good God, and it is this faith which motivates our efforts to be likewise good. "*If we acquiesce in avoidable evil,*" Waterman writes, "*we deny our affirmation of the goodness of God.*" To believe in the goodness of God necessarily implies a measure of freedom, and it is for this reason that "we must believe that He wills us to use that freedom to fight and conquer evil wherever we may." "The social obligations of Christians as individuals, and of the church as a whole," he further writes, "are entailed by theodicy." "It is up to us to show by what we do that God is good,"⁷ and this, he argues, is best accomplished in a "small-scale piecemeal fashion,"⁸ ameliorating the consequences of evil whenever and wherever possible.

All evil, however, is not the same, and if we are to ameliorate its effect, we must have a clear understanding of what type of evil we are addressing, what can be accomplished, and what cannot. From the standpoint of scarcity, this implies a focus on "social evil," or what Waterman defines "as that evil which occurs because, and only because humans live in society." Examples of this type of evil would include "poverty, inequality, crime, injustice; the oppression of women, children and slaves; and the use of force in keeping the peace and in national defense."⁹

A further distinction can be made with respect to moral and natural evil - the former being caused "by the deliberate and wicked actions of men and women,"¹⁰ the latter by occurrences outside of human control. From the standpoint of social evil, moral evil is ameliorative and therefore subject to human intervention. Natural evil, on the other hand, is not ameliorative, being described by Waterman as "evils which could not reasonably have been averted by the best-informed and best-intentioned human action."¹¹ Mankind has a responsibility to ameliorate social evil, and to accomplish this humans must first distinguish between moral evil which is avoidable and natural evil which is not.

This approach, Waterman argues, is the best that can be hoped for in a fallen world, affording a clear operational advantage over such vacuous concepts as 'social justice' and 'human rights.' The concept of justice, Waterman declares, has a very limited meaning from a Christian perspective, and when it is used "it seems to mean what the Old Testament calls righteousness, a pale human reflection of the holiness of God." The term 'social justice' is even less useful, having meaning only in the context of the attenuated relationship between institutional arrangements and a personal deference to 'Natural Law.'¹²

Difficulties multiply when justice is presented as a 'human right,' a term which is notably "absent from the Bible." "God," Waterman writes, "may be thought of as having 'rights'. The rest of us have only 'duties'." This does not suggest that the term "human rights" is without meaning. People do have a clear sense of what it means to have 'rights,' which they view as the option of engaging in practices which could otherwise be denied. Such usage, however, has "nothing whatsoever do with 'justice.'" "The Queen," writes Waterman, "may allow me do things that are morally questionable or plain wicked," and while 'rights' so granted may be highly valued, they have a tendency to obscure rather than ameliorate the problem of evil.¹³

Given the confusion associated with the terms 'social justice' and 'human rights' and the propensity to use such terms in an inappropriate and counterproductive way, Waterman believes it is better to dispense with such phrases, focusing instead on the task at hand, the amelioration of evil. He writes:

Justice is an inappropriate way of conceiving the righteousness of God which Christians must reflect in their own lives. 'Social justice' is a term with little, if any meaning. And the attempt to consider either in the language of 'human rights' is at best unnecessary and at worst dishonest.¹⁴

"Nothing," he concludes, "would so conduce to clarity of thinking about ethical and political matters as a fifty-year moratorium on the phrases 'social justice' and 'human rights.'"¹⁵

Having established that the problem of evil should be approached in a piecemeal fashion and that Christians have a responsibility to ameliorate such evil whenever and wherever possible, the issue remains how best to ameliorate social evil, and this, Waterman argues, presupposes some understanding what can and cannot be done. "We can generally recognize social evil when we see it. What is much harder is to tell whether what we are seeing is 'natural' or 'moral' evil." He continues:

All too often, coalitions for good causes fall apart over disagreement about just what can be changed and what cannot. It is this difficulty, I believe, which is at the bottom of virtually all political disagreement in our society. If economics has anything to offer - and I think it does - it is at this point.¹⁶

Economics, Waterman informs us, is based on theory, and it is on this basis that economists *predict* economic outcomes, *explain* how the economy works, *criticize* economic policy, and make *recommendations* designed to facilitate the achievement of certain economic objectives. All four functions ameliorate social evil, providing a clearer understanding of the distinction between natural and moral evil, or what can and cannot be accomplished. As an example, Waterman points to the problem of unemployment, a social evil which some might consider natural, others moral, and still others a combination of both. Economics helps us to resolve this issue demonstrating "why a particular unemployment rate is 'natural' in the sense first, that any attempt to alter it will produce side effects that are worse than the cure, and secondly, that the 'natural' rate will eventually reappear whatever the government may do to try to stop it." Economic theory thus provides an analytical framework for determining what can and cannot be done and a cogent explanation as to why this is so.¹⁷

In the final part of his paper, Waterman examines the paradoxical relationship between human nature, social evil, and good. Augustine, the greatest of all theologians, identified all sin as the "universal consequence of Adam's original disobedience." Because

of original sin, Augustine argued that "it is 'natural' for human nature to act out of selfishness and greed," destroying and invading their neighbors' domain so as to enlarge their own. Self-interest, however, also induces men to take measures against such threats, forming political alliances and countries and investing them with the power to maintain the peace. Augustine was the first to recognize the unintended beneficence associated with such efforts, arguing that the civil state constitutes a *remedium peccatorum*, a 'remedy against sin.' It is precisely because of our sin that civil authority is necessary, and it is because of sin that such authority comes into existence. Augustine recognized in Waterman's words that "God uses our sin as an antidote to itself."¹⁸

A similar idea was advanced by the secular economist Adam Smith many centuries later. "Adam Smith,' Waterman writes, "was no St. Augustine," Yet, the analogy between Augustine's *remedium peccatorum* and Smith's "invisible hand" is clearly evident. Both Augustine and Smith recognized that an "immense gap... exists between the men and women that God intended us to be and the actual men and women who populate the planet." Starting from this premise, both thinkers demonstrated, albeit in much different ways, how the common good is engendered by human behavior which is not good. "It [simply] makes a lot of sense," Waterman argues, "to start by assuming that most of us are out for number one."¹⁹

From the standpoint of scientific inquiry, self-interest "enables us to make predictions which have some chance of being correct." From a theological perspective, self-interest and the self-regulating economy which arises from such behavior demonstrates how "God brings good out of evil." Economic science, Waterman concludes, performs a similar function, bringing good out of evil, and while it rates "fairly low in the scale of human achievement"; it too should be viewed as "a sign of the goodness and mercy of Him whose glory this place exists."²⁰

3. The Relation Between Christianity and Economics

In the first chapter of *Economics and Religion: Are They Distinct?*, a book co-edited by Waterman and Geoffrey Brennan, Waterman posits the following question: "*What is the relation between religion and economics?*" This question, Waterman declares, goes to the heart of the ongoing discussion of what if anything religion has to offer to economic science. If theology and economics are truly autonomous and distinct areas of inquiry, then it stands to reason that "virtually any position on religious questions (including aggressive atheism) would be consistent with any position on economic questions." Dialogue between theologians and economists, would then represent little more than an "exercise in shadow boxing," and if all participants "were clear on this matter a happy though boring existence would be not merely possible but required professionally." Economics as a discipline would have no logical implication for religion and religion would have absolutely no bearing on economics.²¹

Whether or not economics and religion are in fact autonomous is an empirical question - one which can be framed as an hypothesis and tested accordingly. This is the approach adopted by Waterman and Brennan when they pose the following question: "*Is it, or is it not the case that the 'rules of procedure' we can observe as having been applied in the 'analytic work' of economists are 'as far removed from the influence of ideologies [specifically the result of theological considerations in this case] as are the techniques of any other science'?*"²²

To answer this question, the editors assembled a group of fourteen economists to establish and assess the evidence. Seven members of this group were given the responsibility of providing the evidence in the form of case studies on economists or theological writers whose work may have been influenced by *both* economic and ethical considerations. A second group of economists, corresponding to the second part of the book, were then asked to provide independent assessments of the seven case studies. The evidence and findings of both groups were then summarized in the final chapter where the editors

raise several additional questions, the answers to which they defer "to that higher court, which is the economic profession as a whole."²³

It should be evident that an investigation of this type will be highly sensitive to the definition of economics and religion one chooses to employ. It is possible to define economics in such a way that no conflict could possibly arise. Economics, so defined, however, "might," in Waterman's words, "be so hopelessly narrow, so empty, so emasculated that no economist would ever recognize that definition as appropriate."²⁴

Another approach is to construct a "smorgasbord" of definitions and evaluate the relations which might exist between the various combinations. As an example of this approach, Waterman identifies three alternative definitions of economics and religion: economics consisting of subject matter, positive and normative analysis, and positive analysis; and theology of spirituality, morality, and theology. The resulting classificatory schema, a veritable "taxonomist's paradise," gives rise to nine different possibilities as identified in the following table.²⁵

Economics and Religion: Some Possible Combinations

Economics as:

subject matter	positive and normative	positive analysis
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Religion as:

Spirituality	1	2	3
Morality	4	5	6
Theology	7	8	9

While illustrative in its own right and potentially useful in other investigations on the subject of Christianity and economics, Waterman views the above approach as highly unserviceable from the standpoint of what he and the other economists who contributed to *Economics and Religion* desire to accomplish. One problem is that all such approaches

and it should be evident that either area of inquiry will at times pertain to two or more different definitions. For these and other reasons, Waterman and Brennan decided to forego a taxonomic approach, relying instead on "what economists do" as the basis for their evidence. "The actual practice of economists," Waterman writes, "must be an important piece of relevant evidence," and "such an approach is [all] the more attractive to us in that work of this kind by two highly distinguished economists [Joseph Schumpeter and Jacob Viner] is already well-known."²⁶

While the latter approach reduces the possible combinations to one, it is still necessary to select an appropriate definition of religion and economics. Theology was selected as a definition of religion, since a knowledge of God along with the "prescriptions of norms of behavior held to be consistent with or derived from that knowledge"²⁷ comes the closest to meeting the objectives of the study. Economics was defined in terms of economic analysis, reflecting Schumpeter's view that "science is 'tooled knowledge' and scientists are recognizable as such by the use of special techniques of inquiry."²⁸

The definition so defined limits the discussion to class 9 in the above table, and while "spillover will inevitable take place into the adjacent Classes 6, 8, 5 and possible even others," the resulting delineation provides a starting point from which to test whether or not "*the analytic work of economists are as far removed from the influence of ideologies as are the techniques of any other science.*"²⁹

The evidence to test this hypothesis is provided by the seven case studies comprising Part I of the book. These include separate discussions on Richard Whately, John Bates Clark, and P.H. Wicksteed, economists well-known for their religious beliefs; a survey of ORDO liberal thought which included "committed Christians and others"; Frank Knight, who while "avowedly anti-religious (certainly an opponent of Christian morality as he understood it)," was, nevertheless, constrained by theological consideration; John Maynard Keynes, "a consistent atheist" who premised his economics on secular moral convictions; and Judeo-Christian biblical literature which until recently represented a benchmark

through which the religious beliefs of believers, dissenters, and nonbelievers have been judged.³⁰

While "the case studies referred almost entirely to Christianity and mainly Protestant Christianity at that," sampling bias was not viewed as a problem. If economics, as maintained, is truly separate and distinct from religion or ethics, the specific type of religious or ethical beliefs an economist brings to his task is of no consequence.³¹

In addition to his role as editor, Waterman also served as a contributor, providing evidence pertaining to "Whately, Senior, and the Methodology of Classical Economics." Unlike his book *Revolution, Economics and Religion* where he sets forth and defends a particular hypothesis, Waterman limits his discussion in the present context to that of an evidential survey, eschewing any and all conclusions which might be drawn from such evidence. He writes:

... I shall focus my attention in this chapter on that aspect of it identified by Robbins: the putative inability of economics to throw any light on 'ultimate judgments of value.' I do so without wishing to recommend any such view to the skeptical, or to even to associate myself with what is undoubtedly a prevailing orthodoxy among modern economists. My object is intellectual history. Why is the modern orthodoxy what it is? How did it emerge from theological and philosophical debate in the late eighteenth and early nineteenth centuries? And what light does this throw on the relation between economics and theology which is the subject of this book?³²

Following the discussion set forth in his book *Revolution, Economics and Religion*, Waterman traces the developments of "Christian Political Economy," from the late 18th century up through the mid-1820s, a period of increasing discord between those who claimed to speak in behalf of economic science and the more traditional elements of English society. While the conflict had as much to do with James Mill's 'puritanical hatred of the arts' as it did with religion, none was more aware of the dangers the ensuing clash posed to Christianity than Richard Whately. 'For,' as Whately writes, '... if the cultivation of this

branch of knowledge be left by the advocates of religion, and of the social order, in the hands of those who are hostile to both, the results may easily be foreseen.³³

To forestall such a possibility, Whately, in Waterman's words, "saw his task as that of rehabilitating political economy in the eyes of the establishment by wresting it from the grasp of the radicals."³⁴ To accomplish this Whately had to demonstrate that economic science as informed by Benthamite utilitarianism could contribute nothing to "ultimate judgments of value," and that economics in and of itself did not represent a threat to the Christian church or the Christian religion. A sympathetic presence in the incipient science had to be maintained if these two objectives were to be realized, and this Whately was instrumental in achieving with the appointment of Senior to the newly founded Drummond Chair in 1825.³⁵

Although Senior advanced a highly secularized view of economics premised as it was on wealth, it was one which met the approval of Whately who unlike Senior appreciated the polemical value associated with a circumscribed view of the science. Upon assuming the position vacated by Senior in 1831, Whately limited the definition further, arguing that political economy should be understood 'in reference to national wealth alone; and not as giving any decision to its absolute expediency.' Any economist who ventures beyond this narrow focus will be 'deserving of censure.' "For his 'proper inquiry' is 'as to the means by which wealth may be preserved or increased. To inquire how far wealth is *desirable*, is to go out of his proper province."³⁶

Nor is it true, Whately argued, that wealth is in opposition to virtue as suggested by Mandeville. Because economics concerns only the 'nature, production, and distribution of wealth; not its connexion with virtue or with a happiness,' it is unaffected by the way in which wealth is used. "For 'whether wealth be good, or an evil, or partly both, the knowledge of all that relates to it is not the less important.'" Wealth, Whately argued, should, nevertheless, be viewed as good; it is the use to which wealth is put which may or may not be good. In making this distinction, Whately established economic growth as a laudable

objective, and in so doing provided a teleological rationale for self-interest. 'Man,' he writes, 'is, in the same act, doing one thing by choice, for his own benefit, and another, undesignedly, under the guidance of Providence, for the service of community.'³⁷

While Whately's claim concerning the moral neutrality of wealth may have helped to assuage the fears of secular-minded economists concerning religious interference, he had to also reassure the clergy and others that economics posed no threat to religion. "Whatley's first objective, in his *Introductory Lectures* (1832)," Waterman writes, "was 'to combat the prevailing prejudices which represent it as unfavorable to Religion.'" "His method," Waterman goes on write, "was to contrast the epistemological character of religious and scientific 'knowledge,' to argue that political economy consisted only of the latter, and to demonstrate that it was a merely instrumental study of the means to ends which must be sought elsewhere."³⁸

This required separate and distinguishable definitions of religious and scientific knowledge, and these Whately derived from the work of Samuel Hinds and Dugald Stewart. Hinds, a former pupil and life-long friend of Whately, "identified more clearly than ever before in Anglican discourse the distinction between 'reason' [scientific knowledge] and 'revelation' [the canonical texts of the Christian Bible]." It was Hinds' contention that while 'reason' can confirm 'revelation' as in the case of natural theology, it cannot disconfirm that which is assumed to be "beyond the reach of unassisted reason."³⁹ A summary of this argument is provided by Waterman, who writes:

'Reason' may make use of scientific knowledge in corroborating religious knowledge (natural theology), but reason cannot be at variance with faith for it is precisely the function of the latter to generate knowledge where the former cannot operate. Thus science cannot falsify the religious truths contained in scripture, and scripture cannot falsify the scientific truths obtained by 'theory' and 'observation.'⁴⁰

One type of truth, however, cannot stand in opposition to another, and when this appears to be the case, it is because of an error in interpretation. 'It is not truth of all kinds

that the Bible was inspired to teach,' Hinds writes, 'but only such truth as tends to religious edification; and the Bible is consequently infallible as far as regards this and this alone.' When Scripture refers to historical or scientific matters its authority should not be viewed as infallible 'but only that which attaches to the work of an honest and sincere author, and varies according to his individual circumstances.'⁴¹

Building upon the hermeneutic rule set forth by Hind, Whately would argue in his second lecture that it is an 'erroneous principle to appeal to Revelation on questions to physical science'; for 'Scripture is not the test by which the conclusions of Science are to be tried.' Since Political Economy "resembles 'physical science' in that it consists of 'theory' in relation to 'observable phenomena,'" economic knowledge does not - indeed, cannot - contradict sacred knowledge.⁴²

Having demonstrated the epistemological nature of economic and religious knowledge, Whately still had to isolate the positive core of economic science from nonscientific value judgments. Following the methodological guidelines laid out by Dugald Stewart in his *Elements of the Philosophy of the Human Mind*,⁴³ Whately argued that economic science should be viewed as an ontologically premised, self-contained system of value-free economic relations. On the basis of 'very little information beyond what is almost unconsciously, and indeed unavoidably, acquired by everyone,' economists derive a small set of 'fundamental principles.' These principles Whately described as an 'instinctive propensity' on the part of humans to desire wealth, to emulate others, and to act in their own self-interest. "Humans are [also] regarded as 'rational free agents,' and together these 'general laws' allow us to identify the process by which 'the problem of supplying with daily provisions of all kinds such a city as our metropolis' by individuals 'who think each of nothing beyond his own immediate interest.'⁴⁴

Economic science thus proceeds deductively. Starting from a common set of observations, economists derive a generalized set of principles pertaining to either human behavior (self-interest) or physical constraints on human endeavor (diminishing returns), and

from these they formulate a system of *ex ante* relations - a system which can be viewed as an abstract model of economic reality. Economics so defined places limits on what the economist should and should not do. His task is two fold: first, to develop theories premised on more generalized observations; and, second, to test such theories against the data. He is to ascertain 'what is,' while avoiding any and all mention of 'what ought to be.' Commenting on the positive/normative distinction arising from Whately's methodological approach, Waterman writes:

Because scientific method in general abstracts from religious considerations which are the prime source of values, and because political economy in particular abstracts from all ethical aspects of its subject matter, political economy can provide guidance only with respect to the *means* of obtaining certain social ends, and not at all about whether those *ends* ought to be pursued. Political economy attempts to answer questions of what *is*, leaving strictly alone questions of what *ought* to be: *per se*, an economist can give no advice about public policy.⁴⁵

The importance of Whatley's argument to future developments in economic methodology is well-known, supplying as it did the "first extended account of the 'orthodox' or 'mainstream' economic methodology developed and restated by Senior, J.N. Keynes, Robbins, and their successors." Senior argued as early as 1836 that the 'the economist is not to give a single syllable of advice,' and when faced with criticism from McCulloch and others, he responded that "a clear distinction exists [between] 'science' which permits us merely to instruct, and 'art' which permits us to 'advise.'" His treatment of methodology was "greatly amplified" in his *Four Introductory Lectures* (1852), a work described by Waterman as "closely following the Steward-Whately line."⁴⁶

Described by Marion Bowley as the 'most important writer on scope and method among the classical economists,' Senior's work cast a long a shadow, having, in Waterman's estimation, greater influence on Twentieth century economic methodology than that of any other economist. It was through this lineage that Whatley's methodological approach became standard fare for orthodox economics.⁴⁷

In the final chapter of *Economics and Religion: Are They Distinct?*, Waterman and Brennan summarize both the evidence, consisting of the seven case studies, and the findings of the jury as provided in the seven interpretive essays, "before submitting the whole to a higher court."⁴⁸

Waterman separates the case studies into three chronological groups, the "first and third of which can be seen as providing a 'frame' for the three central studies of J.B. Clark, Wicksteed, and Frank Knight." The first group, consisting of Gordon's study of ancient Judeo-Christian literature and Waterman's study of Richard Whately and his influence on economic methodology, addresses the issue of epistemological distinction during a period when religion and religious scholarship played an important role in the formulation of ideas and beliefs. The second group, consisting of the ORDO liberals and John Maynard Keynes, addresses the very same issue during the modern period, a time when "God is publicly and officially - and for many individuals privately and actually - absent." Clark, Wicksteed, and Knight wrote during "a time in which vivid memory and frequent awareness of the sacred coexisted with a secular and pluralistic civilization that is entirely new in human history." Because of this we observe in "the work of these three a fascinating and instructive mixture, markedly different in each case, of the new science and the old religion."⁴⁹

As a whole the case studies failed, however, to provide a clear and definitive answer to the question posed at the outset. When asked to judge, "How sensitive is economics to theological considerations?": three of the jurists responded affirmatively, three rejected the hypothesis, and one declined to address the question. The reasons for accepting or rejecting the hypothesis were quite diverse, ranging from Brennan's view that if 'one chooses economics [as opposed to religion] then *as a consequence of that choice* one's religious beliefs are powerless to affect one's economic analysis,' to that of Richard Nelson who argues that since 'economic has the authority of true religion for many millions of the faithful,' the argument 'that economic and religion can be defined in separate domains ...

will not hold.' The noncommittal jurist, Geoff Harcourt, focused his discussion on how the 'methodological individualism of economics ... encourages in Christians believers an individualistic understanding of religion,' an issue which transcends the inviolability of economic science.⁵⁰

In the concluding part of the final chapter, Waterman raises several additional issues which emerged during the course of the investigation. Citing the work of Clark, Malthus, and Whately, he ponders whether or not the use of economics in the service of Christian apologetics violates the scientific status of the discipline. It also became evident to some of the observers that theological and ethical considerations 'constrained' the economic thought of Knight and Keynes, and this begs the question as to whether or not a constraining influence invalidates the scientific status of economics? Gordon, Steedman, and Nelson demonstrated, albeit in different ways, how economics influences theology. "If it is really the case that our theorizing about God is so responsive to our theorizing about the economy ..., why is the reverse not equally true?"⁵¹

Other issues raised include: uniqueness: "Is there a set of values and ontological beliefs which are consistent with both religious and nonreligious commitments?"; economics versus religion: "Is it true as Harcourt argues "that scientific economics drives out true religion?"; science and ontology: "Is it true as Cramp and Dow argue that ontological judgments about the economic order presuppose some implicit theological position?." Waterman and Brennan believe that they have good answers to these questions: "good in the sense of leaving our methodological opinions undisturbed." They defer such answers, however, until such time as the reader has had opportunity to make his own judgment.⁵²

While refraining from answering these latter questions, Waterman acknowledges that Brennan and he "believes, *and still believes*, that a defensible and useful distinction is possible - and indeed necessary - between analyzing and explaining social phenomena with the tools of political economy, and evaluating those phenomena in the light of religious beliefs."⁵³ From this assertion, Waterman's position on the scientific inviolability of

economics would appear to be unequivocal. In a paper published twelve years earlier, however, Waterman argued that the epistemological demarcation between economic science and religion may not be as clear cut as many economists assume.

In "Property Rights in John Locke and in Christian Social Theory," Waterman links the property right theories of the John Locke and the Roman Catholic church to theological considerations, a linkage which has important implications for the putative neutrality of economic science.

Whatley initiates his discussion with a brief evaluation of Locke's *Two Treatises of Government*. In the second book, Locke begins with the suppositions that the earth is a gift from God to humankind in common and that people have a natural right to the means of subsistence. The common stock of goods, however, is of little value unless humankind can appropriate from it what he or she needs, and this requires labor. 'Every man [thus] has a property in his own person....The Labour of his Body, and the Work of his Hands, we may say are property his.' Humankind is also entitled to possess whatever his or her labor 'removes out of the State that Nature hath provided.'⁵⁴

This right, however, is subject to three conditions, and when the first of these conditions - there should be 'enough, and as good left in common for others' - can no longer be met the problem of scarcity arises. "Claim rights conflict and the enjoyment of property becomes 'very uncertain and constantly exposed to the invasion of others.'" It is at this stage that men submit their possession to the community. "All goods revert to common ownership under the state, which now determines the assignment of property rights which are merely conventional."⁵⁵

The theory of private property as set forth by Locke in the second of his *Two Treatises* can be traced to the rediscovery of the *Digest* of Roman law work in the Twelfth century, which paved the way for the scholastic concept of *dominium utile*, described by Waterman as "the 'right in' some good possessed by a usufructuary." A century later, Thomas Aquinas would argue that usufructuary over God's creation implies that

'Man does have a natural *dominium* (approximately translatable as property) over material things.' In 1402, Jean Gerson argued that men have a God-given right to possess inferior goods, including land, for their own preservation. This idea was developed further by Gerson's successors at Paris before falling into disrepute as a consequence of Reformation theology. The mediaeval tradition was restored at the end of the sixteenth century by Grotius, and from him it "flowered for the last time in the work of Selden, Hobbes, Putendorf and Locke."⁵⁶

From this it should be evident that Locke's "concept of 'property' - meaning 'any sort of right the nature of which is that it cannot be taken without a man's consent' - is unintelligible apart from its theological underpinnings." This view, Waterman argues, is supported by Locke's reference to the biblical account where God gives the earth to humankind in common, and *a fortiori* by the two axioms contained in his famous chapter "Of Property." The first of these - 'that Men, being once born, have a right to their Preservation,' - follows from humankind's duty to act in accordance with God's purpose. "Man's duty to preserve God's workmanship implies Man's right to preservation." The second axiom, 'that every Man has a *Property* in his own *Person*' follows from humankind's ability to act freely and intentionally. "Hence though Man's life is God's property, it is also Man's property in a different sense: Man has a right of use, analogous to usufruct, similar to a tenant's."⁵⁷

In the second part of the paper, Waterman identifies the essential elements of the theory of property rights contained in the Roman Catholic encyclical *Rerum Novarum* (1891). While acknowledging that 'God has given the earth for the use and enjoyment of the whole human race,' this, Pope Leo argued, should not be construed as a denial of lawfully established private property. Relying on a natural rights philosophy, he argued that the 'right to possess outright' followed from humankind's right to self-preservation, 'the fruit of man's own sweat and labour,' and human rationality. 'Every man has by nature the right to possess private property as his own.' Leo also defended the right to

inheritance, the safe-guarding of private property by legal enactment and public policy, and the state's right control its use in the interests of the public good. 'The main tenet of Socialism, community of goods,' however, 'must be utterly rejected,' since 'it would injure those it would seem meant to benefit.' An effort should, nevertheless, be made to distribute private property as widely as possible so as to diffuse class conflict and promote social stability.⁵⁸

"That Leo's doctrine," Waterman writes, "exhibits several distinctly 'Lockean' features" is immediately evident. Leo as did Locke starts with the biblical account of all being things given in common. Both qualified this initial premise on the basis of self-preservation, human labor, and appropriation, arguing that these considerations imply a 'natural right' to possess goods and land. Leo, similar to Locke, defended the right of inheritance and the power of the state to safeguard private property and control its use. Yet, as Waterman points some out, Locke was no apologist for the capitalist order, and Leo's unequivocal rejection of socialism diverges "both from Locke's intention and his conclusions." "There is no reason," Waterman writes, "to suppose that abolition of private property must always and necessarily be unjust; nor therefore, that 'community of goods must be utterly rejected'; nor that it is beyond the competence of the state to bring this about."⁵⁹

While the papal position on socialism would gradually revert to the provisional endorsement of private property advanced by Thomas Aquinas, the most significant point, at least from the standpoint of economics, is that both theories are "theology-laden,"⁶⁰ and this raises a number of questions concerning the 'Philosophical Foundations of Economic Science.'

"The concept of 'property rights,'" Waterman writes, is used in 'mainstream' economic theory in what is intended to be a strictly 'positive' way." Yet, "it is not altogether certain ... that the merely 'positive' use of the concept can be sustained." First of all, the term 'right' refers only to that which is permitted by the state and to ignore other types of

'rights,' such as that premised on theological considerations, is to "commit oneself to one of two possible ethical positions": either the state is 'good,' or nothing certain can be known about how the state *ought* to behave. Implicit to this latter position is the belief that God either does not exist or that His existence provides no relevant information concerning the assignment of property rights.⁶¹

Second, the positive usage of the term property rights denies the theological beliefs and ethical principles underlying such terms. Commenting on the putative definition that property rights are 'sanctioned behavioral relations among men that arise from the existence of things and pertain to their use,' Waterman writes: "... 'sanctioned' (by whom? on what authority?) and 'law' (whose law, God's or Man's, just? or unjust?)"⁶²

Third, economists do in fact make use of the concept in a normative context. 'The allocation of scarce resources in a society,' as Alchian points out, 'is the assignment of rights to uses of resources ... the question of economics, or how prices *should* be determined, is the question of how property rights *should* be defined and exchanged ...' Alchian's critique may simply be an example of how economists grind out answers for a given set of value axioms. But even if this is true, "it would seem, Waterman writes, "that economists have taken for granted a particular set of value axioms by no means invulnerable to ethical or theological criticism."⁶³

Finally, even if property rights evolved as a necessary foundation for economic development as suggested by A.T. Hadley, the acceptance of this view "prejudges the transcendental aspect of 'right,'" linking ethics (and by implication their theological rationale) to the particular stage of development whereby such rights arise. While this may be consistent with the Lockean account of conventional property rights, "it ignores the Lockean connection between conventional rights and natural rights, and hence deprives the former of their metaphysical and theological basis." To accept property rights as a necessary prerequisite for economic development is, Waterman concludes, a theological position.⁶⁴

In addition to the four issues noted above, Waterman examines the epistemic claims of Christianity and economics, and how such claims imply a particular theological position. If as maintained by 'mainstream' economists, the information provided by Christianity is of a normative nature, then by implication "the Christian church does not, in fact, have a peculiar access to knowledge of any kind; or if it does it is of a kind that is irrelevant to scientific inquiry." If, on the other hand, Christianity is believed to provide knowledge of a kind that is relevant to economics and not available apart from such knowledge, the scientific integrity of economics is called into question. "If the Chair of Peter," Waterman declares, "is really the sacred depository of all truth; or if for that matter, a similar authority is located elsewhere in the church or else enshrined in sacred scripture: what is the status of 'scientific' knowledge of the economy?"⁶⁵

The answer to this question depends on whether or not the economic knowledge imparted by Christianity is in any sense unique. *Quadragesimo Anno*, published forty years after *Rerum*, "concedes that the church may use her authority 'not in matter of technique for which she is neither suitably equipped nor endowed by office' but only in 'things that are connected with the moral law.'" Despite this concession, the issue is far from settled. First, a number of Christian economists concur with Douglas Vickers assertion that 'epistemological autonomy involves .. the denial that the very possibility of knowledge rests on the being of God.' Secondly, to acknowledge the epistemic claim of economics is to deny "that very substantial part of Catholic (or at least papal) social teaching which consists not of theological and ethical pronouncements, but of empirical judgments about the economy." Finally, "some economic problems (e.g. poverty) may require for its solution the general recognition of some truth that could only be known theologically (e.g. that there exists a natural right to private property)."⁶⁶

Waterman does not provide an answer to these question. "My purpose," he writes, "has been the more modest one of persuading the reader that the boundary between

'Economic Science' and Theology is neither so well-defined, nor so unimportant, as is commonly supposed."⁶⁷

In *Economics and Religion* and "Property Rights in John Locke and in Christian Social Theory," Waterman's primary objective is intellectual investigation. In "Theology and the Redistribution of Wealth," Waterman adopts a more practical approach, eschewing the issue of scientific autonomy, he demonstrates how the positive core of economic science is consistent with the normative prescriptions of Christianity.

His argument is premised on two value axioms, the first of which is based upon the Christian teaching: 'The world is given to all.' This phrase, which is quoted in a number of recent papal documents, is attributed to the patristic father St. Ambrose, who along with many other Christian writers viewed a common bequeath to all humankind as an axiomatic element of Christian doctrine. "Even the great prophet of liberal individualism, John Locke, began his classic inquiry into property rights with this assumption: '... tis very clear that God, as King David says, Psalm cxv. 16, *has given the earth to the children of men, given it to mankind in common,*" To deny this assumption is to deny a fundamental tenet of Christian doctrine. "The axiom," Waterman writes, "is beyond dispute for Christians of all traditions," adding that anyone "who is unwilling to accept this axiom, at least for the purpose of argument, should [not] waste his time disputing social ethics with Christians."⁶⁸

Waterman's second axiom is premised on one of the foundational theorems of modern welfare economics: 'At full equilibrium of a competitive economy, the pattern of production and distribution is optimal for any given set of initial endowments.' Waterman provides a heuristic explanation: under perfect competition each individual acting out of self-interest will, given an initial set of endowments, engage in trade and production up to the point where no further gains are possible. "A pattern of production and sales (and its corollary, a pattern of incomes) would then emerge which economists describe as

equilibrium... The equilibrium is optimal in the special sense: *given the initial endowments*, no individual can be made better off without making someone or others worse off."⁶⁹

While critics of capitalism or neoclassical economics are quick to point out that the foregoing rendition is premised on assumptions which never hold true, such criticism misses the point. "Economists," Waterman writes, "start with deliberately simple models and gradually introduce complications to simulate reality more closely." The simplified model set forth here captures in essence the theory adopted by most mainstream economists, reflecting as it does "the hard core of the economists' scientific research program." Anyone "who is unwilling to accept this axiom, ...," Waterman writes, "should [not] waste time disputing social ethics with economists."⁷⁰

Despite the contentious friction which often occurs when economists enter into dialogue with theologians, the two axioms identified above are quite consistent. Under perfect competition '*there will be a different efficient outcome for each initial assignment of endowments*,' and it matters little from the standpoint of economic efficiency whether or not the initial endowment of resources is approximately equivalent or greatly skewed to the privileged few - under perfect competition all initial endowments will engender an *efficient* outcome, in the economic sense of the word.⁷¹

All initial endowments, however, will not engender outcomes which satisfy the objective set forth in the first axiom. The very fact that the earth was given in common implies some measure of equality. "According to the Ambrosian axiom," Waterman writes, "it is not only irrational, *but contrary to God's will* that some should have a larger share of the earth's resources than they need (either in order to keep them happy, or to keep them working just as hard and as well) while others should have too small a share to meet those needs."¹⁶⁰ This does mean that all individuals are entitled to an equal endowment, nor does it imply common ownership of property or a socialist economic order. What it does mean is that some allocations are preferable to others, and for any particular allocation,

"the onus of proof must lie with those who wish to justify some particular inequality."⁷² A failure to do so warrants a redistribution of wealth. Waterman writes:

It therefore seems clear that even the most devoted supporter of the market economy must concede, if he or she is willing to accept the first axiom, that redistribution of wealth may in principle be a Christian duty. The dispute between proponents and opponents of capitalism (or socialism, etc.) is irrelevant to this point. Christians who believe in the efficacy of the market system must concede the arbitrariness, and therefore the potential injustice, of natural patterns of distribution.⁷³

While the redistribution of wealth is a Christian duty, the question still remains as to how such a redistribution is to be effected. Waterman rejects the argument advanced by Edward Copleston and others "that charity (meaning redistribution in this context) 'to be virtuous must be voluntary.' He also rejects any measures which would do injustice to the democratic principles adopted by most Western societies. "But," he writes, "if what is meant (and surely it must be this), is that Christians should use the political power they possess in free societies to persuade others to agree to a lawful redistribution, there can be no reasonable ground to object."⁷⁴

The issue thus reduces to that of empirical research. "We need lots of facts about existing distribution and their effects both upon human happiness and on the incentive to produce." Christians must also acquire an understanding of the workings of government, which policies have been shown to work, which have not, and which while accomplishing the stated objective do so at unreasonable costs. Such information should allow Christians to make informed judgments that are consistent with their Christian duty. Then and only then will Christians be able to renounce "endless, sterile debate over theological or economic niceties, and agreeing on the *why*, we can talk fruitfully about the *how* of sharing the world's resources for the good of all."⁷⁵

A collective evaluation of the Waterman's work up to this point indicates a strong orientation towards the putatively accepted view that Christianity concerns the ends of

economic policy and economic science the means to achieve those ends. Not all Christian economists, however, share this belief, and in effort to explicate the issue, Waterman has written two articles identifying, in the first instance, how Christianity may be related to economics, and, in the second, how Christian economists have related their discipline to their faith.

In the first of these, "Can Economic Policy Be Christian," Waterman identifies three senses in which an economic policy might be described as Christian: the 'strong sense,' the 'first weak sense,' and the 'second weak sense.' For economic policy to be considered Christian in the 'strong sense' it must satisfy two conditions. First it "must be deductible from Christian beliefs in some publicly recognizable sense of the latter." Second, it "must be *uniquely* so deductible." To assent to the latter of these two conditions is to deny the autonomous status of economic science. "Christianity and only Christianity," Waterman writes, "supplies the requisite ethical knowledge in this strong sense."⁷⁶

The early social encyclical, *Rerum Novarum*, is a case in point. Writing on the problem of working-class poverty in industrializing Europe, Leo writes:

... We approach the subject with confidence ... in the exercise of the rights which manifestly appertain to us, for no practical solution of this question will be found apart from the intervention of Religion and the Church.⁷⁷

Leo's 'confidence' resides in his belief that Christianity contains wisdom not otherwise available: thus '.... this great labor question cannot be solved save by assuming as a principle that private property is sacred and inviolable.' Leo is, of course, not alone. "Many other Christians both before and since Leo XIII," Waterman writes, "have supposed that their religion is a unique source of authoritative information about the nature and purpose of human societies."⁷⁸

For economic policy to be Christian in the 'first weak sense,' policy must be deductible from Christian beliefs. Unlike the 'strong sense,' Christian economic policy in the

'first weak sense' need not be unique, and this opens up the possibility that one or more alternative systems of belief afford the same ethical basis for economic policy.⁷⁹ "If Hindus, Buddhists, Muslims, Jews and Marxist-Leninist agree with Christians, as they often do, about general principles - for example, Ethiopians (etc.) ought not to be left to starve to death - then all may 'concur' in the bishops' recommendations: not because they are Hindus, Muslims, Christians, etc., but because they are human beings."⁸⁰ This being the case, "one may well ask whether it is useful to use the word 'Christian' in this sense."⁸¹

Waterman identifies the third and final 'sense' in which economic policy may be defined as 'Christian' as the 'second weak sense.' For economic policy to be characterized as Christian in this sense it must not be in conflict with Christian beliefs. Christian theology, in this case, "serves as a filter, permitting some options and censoring others." As an example, Waterman points to the economic policies advanced by the early Nineteenth century economist Thomas Malthus. The plight of the poor, Malthus argued, could only be improved through population control. This, however, was to be accomplished through 'moral restraint,' contraceptives being viewed as unacceptable in light of orthodox Anglican beliefs.⁸²

Economic policy as defined in this latter sense is, in Waterman's estimation, much more distinctly Christian than economic policy which is Christian only in the first weak sense. "What makes the social implications of Christian theology distinct from any other may be seen in the vetoes it applies to practices allowed by others and the permission it grants to practices forbidden by others." Unlike the former cases, Christian economic policy in the 'second weak sense' does not require that those who are passing judgment on economic outcomes be versed in 'technical' knowledge. It is merely sufficient to approve or disapprove of a particular economic policy. Waterman writes:

When Christian is used in the second weak sense there is no traverse from theological principle to economic policy. The process of policy formation does not precede even schematically from theologically given ends to scientifically discovered means. Various proposals are made in

response to some social problem both about ends and means. After the usual debate, propaganda, lobbying, and power struggle, a decision is made by the legally competent body. If Christians have been party to the process, they may have attempted to encourage a variety of outcomes permitted by their beliefs and will have opposed all outcomes that are forbidden by their beliefs. If they are satisfied with the decision, then the policy will be 'Christian' in the second weak sense. Even if some Christians are dissatisfied, it may still be 'Christian' if the objective were all strictly non-theological.⁸³

Waterman contrast Christian economic policy in the sense described here with Christian economic policy in the 'strong sense' and the 'first weak sense.' In the 'strong sense' no allowance is made for dissent by Christians who hold to a dissimilar view. Economic policy, in this case, may be uniquely 'Christian' in that it differs from all other policies, but it is not universally Christian and, in fact, will be a minority opinion among Christians. While Christian economic policy in the 'first weak sense' may receive universal assent, it will, in most cases, require some type of decision as to how agreed upon ends should be implemented, and it is decisions of this "kind over which political battles are fought."⁸⁴

Consider Keynesian and New Classical Economics: two opposing economic theories with similar objectives, but premised on much different explanations of the macro-economy. Both theories advance a dissimilar set of recommendations, and having to select between the two, "the bishops are faced with an unenviable choice. Whatever they do will be wrong. And if they do nothing they will be reviled for inaction."⁸⁵ Waterman writes:

If the bishops decide to advocate the Keynesian option, not only do they overstep the legitimate bounds of their teaching authority; they abuse their pastoral authority by making the New Classical Christian feel that he is being disloyal by sticking to his scientific guns. Exactly the same is true, *mutatis mutandis*, if they advocate the New Classical option.⁸⁶

Christian economic policy in the 'third weak sense,' makes no such demands, and it is only in this sense "that the free and unpredictable creativity of millions of Christian men

and women, engaged in the concrete realities of economic life, informed by prayer and grace can indeed be Christian 'internally,' in the tiniest detail." Christians, of course, have as much right to influence the public as anyone else does. But the days when 'the eyes of all turn towards the Chair of Peter' for guidance and knowledge are long gone, and if the Christian churches are to have an economic policy "it is through their members acting as a 'leaven' in society, quietly and mysteriously transforming in a myriad ways the attitudes, values, and expectations in light of which the process of policy formulation takes place." "If I am correct in this view," Waterman concludes, "then too much agonizing over how to proceed from Christian social principles to their implementation is largely beside the point."⁸⁷

In "Economists on the Relation Between Political Economy and Christian Economy: A Preliminary Survey," Waterman provides a taxonomic survey of how economists since the time of Adam Smith have related political economy to Christian theology. By political economy, Waterman means "the body of knowledge which refer to human-economizing behavior." This would include knowledge pertaining to both theory - theorems, laws, empirical generalizations, etc. - and 'facts' - history, description of institutions, statistical data, etc." By Christian theology, Waterman means "both the method of thought and the body of knowledge which refer to the human religious understanding of Jesus of Nazareth." Religious understanding in this context "may include pre-Christian religions (such as that reported in the Old Testament), and the results of independent inquiry (such as natural theology) in so far as these are interpreted by, or 'refracted' through what theologians call the 'Christ event.'"⁸⁸

Waterman's taxonomy consists of two general groupings of economists: those who hold to a traditional, monistic view of political economy and those who hold to a modern, pluralistic view. These two classifications are further subdivided on the basis of the pre-scientific and relativistic arguments advanced by proponents of the traditional view, and the epistemology, theological, historical, political, and economic groupings which typify

the work of those who hold to a pluralistic view. The theological, historical and political classifications are subdivided into a third tier of classificatory schema, the details of which are presented in the outline below.

The traditional view, designated by classification (1), denies the possibility of a distinct and separate body of knowledge such as economic science. "All knowledge," according to this view, "comes in the same way: by God's disclosure of His own nature, acts and purposes to His human creatures." Christian anthropology provides the one and only basis for the study of human behavior, including economic behavior. "Theology is the Queen of the Sciences, subsuming economics (and all other human inquiry)" under the rubric of theological understanding. "Economics has no autonomous existence, but is merely a branch of theology."⁸⁹

Waterman's Taxonomy

- (1) monistic or traditional
 - (1.1) pre-scientific
 - (1.2) relativistic
- (2) pluralistic or modern
 - (2.1) epistemology
 - (2.2) theological
 - (2.2.1) Christian anthropology
 - (2.2.1) theodicy
 - (2.3) historical
 - (2.3.1) evolution of 'scientific' economics
 - (2.3.2) the effect of 'scientific' economics upon theology
 - (2.3.3) the effect of theological developments upon economic behavior and institutions
 - (2.3.4) historical assessment of economics and theology in Christian social thought
 - (2.4) political
 - (2.4.1) theory of and contributions to Christian social thought
 - (2.4.2) critique of Christian social teaching⁹⁰

The pre-scientific variant of this view (1.1) is exhibited in 19th century Roman Catholic social thought as portrayed in the work of French economist Villeneuve and Pope

Leo XIII and his successors; all of whom agreed that "the eyes of all, as often in the past, turned towards the Chair of Peter, that sacred depository of all truth."⁹¹ Those who hold to the more sophisticated relativistic variant (1.2) would deny that "science can ever be independent of *Weltanschauung*, ideology, and metaphysical preconceptions."⁹² During the 19th century, this view was exhibited in the thought of Richard Ely and his associates in America and Cunningham and Tawney in England.⁹³ More recent examples would include liberation theology and the Christian economic thought advanced by neoCalvinists such as Abraham Kuyper, Herman Dooyeweerd, Bob Goudzwaard in Holland; Brian Griffiths and Alan Storkey in England; and Gary North, Tom Rose, Douglas Vickers, and Hebden Taylor in the United States.⁹⁴

The pluralistic or modern view, designated by (2), is premised on the belief that economic and religious knowledge occupy separate and distinct domains and that the methods and modes of understanding associated with each are inapplicable to the other. Commenting on this view, Waterman writes:

Whether theological knowledge be genuine or not is irrelevant to the scientific enterprise. Nature is there to be observed, and is best observed when all preconceptions derived from religious beliefs are laid aside. Economics is scientific knowledge of economic behavior and institutions. Its methods, theories, explanations and descriptions are, and ought to be, independent of theology. If theology does, in fact, afford genuine knowledge of any sort, it is a different kind of knowledge from economic knowledge, and obtained by a different method. It is precisely in this case that it is interesting and helpful to talk about a relation between economics and theology.⁹⁵

Upon acceding to this view, the question naturally arises as to what type of knowledge is afforded by economics and what type by religion, and how can these co-exist? Work of this type Waterman designates as (2.1) epistemological, citing J.S. Mill's purely scientific excursion into the realm of theodicy as an example. While Whatley's work also appear to fall into this category, Waterman makes no such designation, classifying his

work along with that of Malthus, Paley, and Sumner as (2.2.2) theodicy. What differentiates Mill's work from these latter writers is his objective. Whereas Malthus et al. endeavored to defend the idea of God's goodness in the presence of evil, Mill "was innocent of any belief in the *pater omnipotens* of Christian revelation." The work of the 19th century French and American harmonist - Frederick Bastiat, Francis Wayland, and others associated with the so-called 'clerical *laissez-faire*' school - also fall chiefly into the theodicy category.⁹⁶

In addition to theodicy, Waterman identifies Christian anthropology as a second area of theology which may or may not co-exist with economics. "If the economic account of human behavior seems to conflict with what is understood by the nature of man in Christian anthropology, "what is the status of the latter?"⁹⁷ Walsh's *Scarcity and Evil* (1961) addresses this question as do the contributions of the Christendom Group (Maurice Reckitt, V.A. Demant, and T.S. Elliot) and their critics such as Denys Munby.⁹⁸

The historical grouping (2.3.1) concerns itself with the process by which the science of economics developed and eventually emerged from theological thinking. Schumpeter's *History of Economic Analysis* and scattered references by J.M. Keynes fall into this category as do more recent works by B. Gordon, D. Friedman and Y. Liebermann. Studies which address the "the effect of 'scientific' economics upon theology" (2.3.2) are few, consisting of Kenneth Boulding's "Some Contributions of Economics to Theology" and a few references in Tawney's study of *Religion and the Rise of Capitalism*. Tawney's famous work, however, is much better known for its contribution to category (2.3.3) "the effect of theological developments." Max Weber's *Protestant Ethic and Spirit of Capitalism* also falls into this category as do a number of other works which have endeavored to link religious beliefs to economic behavior or organization. A number of writers have also evaluated the historical relationship between economic systems or ideas and Christian social teaching (2.3.4). Jacob Viner's *Religious Thought and Economic Society*, Waterman's writings on early 19th century Anglican social thought,

and Grice-Hutchison's work on medieval society represent just a few of the many studies which have examined this issue.⁹⁹

Assuming that economics and theology afford genuine - though qualitatively different - knowledge, the question then arises as to whether or not such knowledge can be combined in such a way as to contribute to Christian social thought (2.4). Frank Knight's denial that such knowledge could be combined as well as efforts by Chalmers, Boulding, Munby, Beckman, Waterman, Sleeman and others to construct a Christian social thought premised on 'technical' knowledge and Christian value axioms fall into category (2.4.1). The epistemological separation of economic science and theology also provides a rational basis for a critique of Christian social teaching (2.4.2). Such criticism has become especially evident in the Twentieth century, with writers such as Boulding, Munby, Waterman, Stamp, Knight, and others taking the church to task for either ignoring or violating the technical guidelines set forth by economic theory.¹⁰⁰

Waterman identifies the final category in his taxonomy as (2.5) economic. Similar to any other social phenomenon, religion "may be conceived as a human-economizing activity and so analyzed in terms of the supply of and demand for scarce goods and services."¹⁰¹ Adam Smith's discussion of religion in his famous *Wealth of Nations* was essentially along these lines.¹⁰² Edward J. Kane's more recent "analysis of the Roman Catholic church as an economic enterprise seeking to maximize an 'ecclesia social-welfare function'" would also fall into this category.¹⁰³

4. Waterman's Critique of Christian Views of the Economy

In two papers, "The Intellectual Context of *Rerum Novarum*" and "An Anglican View of *Centesimus Anno*", Waterman assesses the "intellectual isolation" which has characterized Roman Catholic social doctrine since the 19th century. "*Rerum Novarum*" (1891), he writes, "marks the beginning of any serious attempt to apply Christian theological principles to the social problems created by the market economy." Such was its

influence that Pope Pius XI writing forty years later would hail the papal document '... as so unexpectedly in advance of its time, that the slow of heart scorned the study of this new social philosophy, and the timid feared to scale its lofty heights."¹⁰⁴ Sixty years after Pius' ringing endorsement, Pope John Paul II would publish *Centesimus Annus* (1991) as part of a centennial commemoration of *Rerum Novarum*, and despite modern terminology and a newfound appreciation of the market economy, the social philosophy and 'Catholic' view of economics contained in this most recent pronouncement on the economy is, at least in Waterman's estimation, much the same as that enunciated one-hundred years earlier.¹⁰⁵

Because of this tradition, papal social doctrine was and still remains largely outside the established bounds of 'main-stream' economic thought. This isolation Waterman asserts "lay not so much in theology as in economics and philosophy."¹⁰⁶ Unlike the "Christian Political Economy" first advanced by Malthus and later developed by Paley, Sumner, Copleston, Whately, and Chalmers, Nineteenth century Roman Catholic social thought was founded on a pre-enlightenment view of society and political hierarchy, and a genre of political economy which owed little or nothing to the classical political economy of 18th century Scotland and 19th century England.¹⁰⁷

The social philosophy underlying *Rerum Novarum* as well as numerous papal documents both before and after this incipient work is that of an organic being. "The presupposition of *Rerum Novarum*," Waterman writes, "... is that human society may properly be thought of as a single organism, the body politic - carefully distinguished from the merely contingent 'State.'" Quoting from the 12th chapter of Paul's epistle to the Corinthians, Pius XI writes in *Quadagesimo Anno* (1931): "it will be possible to say in a certain sense even of this body what the Apostle says of the mystical body of Christ: 'The whole body (being closely knit together through every joint of the system according to the functioning in due measure of each single part) derives its increase to the building up of itself in love.'"¹⁰⁸

Among the characteristics associated with this 'organicist' view of society are a conscious and deliberate effort to work in harmony for the common good; specialization of function and, perhaps most importantly, a hierarchical relationship among humankind which is directed by a controlling intelligence. In *Rerum Novarum*, Leo XIII writes: 'A family, no less than a state, is ... a true society, governed by an authority peculiar to itself, that is to say, by the authority of the father.' The same is true for political authority which similar to family authority is granted by God and is conditional upon obedience to 'the eternal law of God' or the 'natural law.' In the encyclical *Libertas*, Leo writes: 'the highest duty is to respect authority, and obediently to submit to just law;' for 'it belongs to the perfection of every nature to contain within itself that sphere and grade which the order of nature has assigned to it, namely that the lower should be subject to the higher.'¹⁰⁹

Waterman contrasts this view of society with the 'theory of spontaneous order' advanced by Adam Smith, David Hume, Dugald Stewart and other writers associated with the Scottish enlightenment. Human society, according to this latter view, may be thought of as a 'habitat,' wherein "a balance of nature [is] achieved by the mutual interaction, symbiosis, cooperation and competition of large numbers of organisms, none of which can clearly perceive, let alone pursue, any collective goal: each of which pursues individual goals and possibly the joint goals of a small subset of the population."¹¹⁰

The essential features of this view can be traced from early 18th century writings of Mandeville to Smith's *Wealth of Nations* and then to the early Nineteenth century thought of Malthus, Mill, and Ricardo. Although Smith's emphasis on wealth was later modified to account for the 'principle of population' and diminishing returns, the underlying social philosophy remained largely intact, providing an essential element in Malthus' overall defense of the *ancien regime*. The largely noninterventionist view of the economy adopted by him and his Anglican colleagues also paved the way for "Whately's famous demarcation of scientific from theological knowledge," insulating the new science from those who would use it to advance a largely atheistic agenda.¹¹¹

The Roman Catholic church faced similar challenges on the continent, but unshielded from the military threat and political influence of the Jacobins and later Napoleon there was little that could be accomplished during and after the calamitous events of the French Revolution. Even after the "Papal States were returned in 1815 and papal religion once again tolerated throughout Europe," the response of the church was that of intransigence and unrelenting opposition to change. This is best exemplified by the eighteenth anathema of the *Syllabus* (1864) which forbids the faithful to believe that "The Roman Pontiff can and should reconcile and align himself with progress, liberalism and modern civilization."¹¹²

The first systematic, reasoned response was not forthcoming until the election of Pope Leo XIII in 1877. Leo, unlike his predecessors who 'forgot nothing and learned nothing,'¹¹³ based his opposition to 'the philosophy of this age' on the works of the Scholastic philosopher Thomas Aquinas and, as suggested above, on elements of Locke's philosophical defense of private property. Concerned with the loss of temporal authority and the wholesale plunder of church property, he repudiated not only the revolutionary ideas of the Jacobins, but the ideas of the enlightenment as well which he judged to be the source of much evil.¹¹⁴ Arguing forcefully against "the 'deadly plaque' affecting the body politic of Europe," he never ceased condemning the 'confiscation of property that was once the support of the Church's ministers and of the poor.'" Of the thirty-eight encyclicals Leo published leading up to and including *Rerum Novarum*, no fewer than thirteen contained anti-socialist themes.¹¹⁵

Equating the disastrous consequences of the French Revolution with the political liberalism advanced by various enlightenment writers, Leo also attacked 'that liberty which begets a contempt of the most sacred laws of God, and casts off the obedience due to lawful authority.' Premising his arguments on the natural law doctrines of the Scholastics, he "had no difficulty in [disposing] of the characteristic doctrines of *political* liberalism:

sovereignty of the people, democracy, and the so-called 'liberties' of religion, speech, the press and teaching."¹¹⁶

It is Waterman's contention, however, that such arguments had the unintended consequence of destroying "the intellectual foundations of *economic liberalism*." Arguing 'that true liberty of human society does not consist in *every man doing what he pleases, for this would simply end in turmoil and confusion..*' (Waterman's italics). Leo in effect dismissed Smith's 'invisible hand' and Whately's 'metropolis,' denying the "power of market coordination - 'through the agency of men, who each think of nothing beyond his own immediate interest' - to create the 'wisest means for effecting an object, the vastness of which it would bewilder them even to contemplate' (Whately, 1831, p. 62)."¹¹⁷ As a result of this omission Leo distanced Roman Catholic social doctrine from concurrent and future developments in economic science, an intellectual vestige still evident in the official pronouncements of the Catholic hierarchy.

Papal social doctrine was further isolated by the influence of 19th century Catholic economic thought. Unlike Malthus and Whately, who consciously sought to limit the purview of economic science to the study of wealth, the 'foreign school' which included Sismondi (a Protestant) and his Roman Catholic disciple Villeneuve broadened the definition to include moral and religious virtues. 'The Catholic school...,' wrote the pro-papal *Dublin Review* in 1834 'affirms, that the moral virtues, probity, chastity, and temperance, do ... truly come into the catalogue of national riches.'¹¹⁸ Commenting on these two vastly different views of political economy, Waterman writes:

Villeneuve's *Economie Politique Chretienne* was utterly unlike the 'Christian Political Economy' of Malthus, Whately and their colleagues. Both were part of the Christian reaction to the French Revolution. But whereas 'Christian Political Economy' - in the spirit of enlightenment thinking - was merely a contingent alliance of the epistemologically distinct enterprises of Christian theology and classical political economy, *Economie Politique Chretienne* was a unified enterprise, 'catholic in its manner of conceiving science' (DR, July 1837, p. 175), which reasserted the ancient sovereignty of theology over all other inquiry.¹¹⁹

The Roman Catholic approach to economics adopted by Villeneuve was not without consequence. Unequipped and unfamiliar with the analytical framework which was developing concurrently in England and elsewhere, "he was deceived by appearances into mistaking a *correlation* between industrialization and pauperism (which he investigated extensively and comparatively) for a *causal relation*." The virtues of economic growth, which resulted in a doubling of per capita income about every fifty years during the Nineteenth century, totally escaped his attention,¹²⁰ and it was this failure which contributed to a general misunderstanding on the part of the Roman Catholic hierarchy as to what was happening to the European and North American economies. Waterman writes:

Sixty years later per capita real income had more than doubled in most of Western Europe and North America. But influential bishops - Kettler (Mainz), Manning (Westminster) Gibbons (Baltimore) and others - were understandably exercised by the alienation of the industrial working classes from traditional mores and pressed their concerns upon Leo. Though there was 'no moral indictment of capitalism' in *Rerum Novarum*, yet it was 'sharply criticized.' The benefits of economic growth and the possibility of progressive redistribution under competitive product and factor markets were ignored. Attention was focused upon 'the enormous fortunes of some few individuals and the utter poverty of the masses': rapacious usury' was condemned and a minimum wage recommended.¹²¹

While the hostility directed towards capitalism in *Rerum Novarum* is no longer overtly evident in the most recent papal pronouncement on the economy, *Centesimus Annus*, the organic social philosophy upon which this latter document is premised is still very much in the tradition of 19th century papal social thought. Various references to the time honored themes of papal social thought: a just wage, the errors of 'The Enlightenment,' the importance of workers' associations, the dignity of labour.. " lends support to this view as do "more recent but similar motives such as the 'principle of solidarity', human rights, the 'structures of sin' and 'the preferential option for the poor.'"¹²² It is the 'principle of subordination' enunciated by Leo XIII in *Libertas*, however, which places *Centesimus Annus* squarely outside the fold of modern economic and social thought, and

it is this latter consideration which has led Waterman to "construe those passages in *Centesimus Annus* which favor a market order as alien superimpositions upon a fundamentally incompatible body of social doctrine."¹²³

This need not be the case, however. The idea of unintended beneficence is not antithetical to orthodox Christian theology, nor "is it beyond the ingenuity of philosophers to discover that Adam Smith is compatible with St. Thomas."¹²⁴ St. Augustine recognized that social institutions may serve as a *remedium peccatorum*, and it should be evident that the market economy performs a similar function, serving as "a theodicy of social evil or even as a teleology of God's 'design.'"¹²⁵ Malthus, Sumner, Whately et al. recognized this more than sixty years before *Rerum Novarum*, and it was only because of the subsequent reassertion of a pre-enlightenment view of church and state by followers of the Tractarian movement that "Christian Political Economy" fell into disfavor. "The decline of 'Christian Political Economy' during the second half of the 19th century, and its replacement by varieties of 'Christian Socialism,'" Waterman writes, "is related more closely to the defective, or nonexistent ecclesiology of the former than to the naive and futile social theory of the latter."¹²⁶

The Roman Catholic Church along with all other Christians can learn much from this experience, for it is within their reach to have "the best of both worlds: a *social theory* based on the view on *society* as a habitat which underlies the market economy, liberal democracy, pluralism and a wide variety of 'liberation' movement; together with an *ecclesiology* based upon the view of *the church* as the Body of Christ which seems essential for a coherent soteriology and which underlies the indispensable ideas of coinherence (sic), solidarity and unity, not only of the People of God but of the whole human society." Pluralism has become an accepted view of church and state relations, and Christians need "no longer [be] embarrassed by the necessity of having to regard 'church' and 'society' as one and the same thing."¹²⁷

This does not diminish, however, the need for a coherent and functional ecclesiology. "The church, whatever else it may be, is also a human society, subject to the same 'laws of motion,' we may suppose, as every other 'society' from the family to the nation state." The challenge therefore is to "reconcile the social theory of spontaneous order with catholic ecclesiology in a way which preserves the essential feature of each."¹²⁸

5. Conclusion

Waterman unlike most of the other writers considered in this study has approached the subject of Christian economics from the perspective of intellectual history. Christian economics, he informs us, has a long and cherished history, and an understanding of this history is valuable in its own right apart from the contemporary issues associated with Christian economics.

This does not suggest that intellectual history is in any sense unrelated to modern economic science or the current debate revolving around 'Christian Economics.' Quite the contrary, for, as Waterman has demonstrated, the very same issues and questions which motivated thinkers such as Malthus, Paley, Copleston et al. and their 19th century Catholic counterparts are still discussed in contemporary circles. Malthus' and Chalmers' arguments on behalf of long-standing institutional structures and social beliefs were recently reiterated in a somewhat different guise by the former British prime minister Margaret Thatcher. The social philosophy codified in the writings of Leo XIII more than a century ago is still evident in the most recent papal encyclical on the economy, the Roman Catholic Bishop's *Letter*, and a number of less prominent Roman Catholic pronouncements on the economy. The epistemological distinction separating religious and economic knowledge first identified by Whately is the subject of recurrent debate within the profession, as is his contention that economics is a science which concerns itself solely with the study of wealth.

Perhaps the most interesting insight gleaned from Waterman's intellectual investigations, however, is the theological role performed by a market economy. Similar to the *remedium peccatorum* identified by Augustine in the Fourth century, Adam Smith identified how the self-regarding actions of men, which can be properly understood as evil, give rise to technological innovation, economic growth, and everything which follows in its wake. A market economy performs a teleological role as well: advancing the common lot of humanity through the resulting improvement in human faculties, as suggested by Paley, or diffusing Christianity through the collateral diffusion of commerce, trade, and civilization, as suggested by Sumner.

All of this, however, comes with a certain ideological predisposition. If one truly believes, as does Waterman, that a market economy engenders good despite what may be viewed as the evil, self-serving behavior of its participants, then it can also be argued that a unimpeded market economy is not only acceptable, but, in fact, desirable from a Christian perspective. Whether or not this argument is valid or obviates the type of interventionist policies or Christian approach to economics advocated by other Christian economists is, of course, one of the central questions of this study. A more thorough investigation of this issue will have to wait, however, until the seventh and final chapter of this dissertation.

Footnotes

- ¹ The personal biographical information contained in this paragraph was taken from Waterman's vita.
- ² For a discussion on Waterman's research on this subject see chapter five section 1.8. Also see Waterman, A.M.C., *Revolution, Economics & Religion: Christian Political Economy, 1798-1833*. Cambridge: Cambridge University Press, 1991, p. 6.
- ³ Waterman, A.M.C., "'Social Justice', Economics and the Problem of Evil." *St. Mark's Review*, Autumn, 1991, p. 2.
- ⁴ *ibid.*, pp. 2-3.
- ⁵ *ibid.*, pp. 3.
- ⁶ *ibid.*, p. 3-4.
- ⁷ *ibid.*, p. 6.
- ⁸ *ibid.*, p. 4.
- ⁹ *ibid.*, p. 4.
- ¹⁰ *ibid.*, p. 4.
- ¹¹ *ibid.*, p. 5.
- ¹² *ibid.*, p. 5.
- ¹³ *ibid.*, pp. 5-6.
- ¹⁴ *ibid.*, p. 6.
- ¹⁵ *ibid.*, p. 6.
- ¹⁶ *ibid.*, p. 6.
- ¹⁷ *ibid.*, p. 7.
- ¹⁸ *ibid.*, p. 8.
- ¹⁹ *ibid.*, p. 8.
- ²⁰ *ibid.*, p. 8.
- ²¹ Waterman, A.M.C., "Introduction: Economics and Religion?" In *Economics and Religion: Are They Distinct?*. H. Geoffrey Brennan and A.M.C. Waterman (Eds.). Boston: Kluwer Academic Publishers, 1994, p. 6.
- ²² *ibid.*, pp. 14-15.
- ²³ *ibid.*, p. 15.
- ²⁴ *ibid.*, p. 7.
- ²⁵ *ibid.*, pp. 7-10.
- ²⁶ *ibid.*, pp. 11-12.
- ²⁷ *ibid.*, p. 9.
- ²⁸ *ibid.*, p. 13.
- ²⁹ *ibid.*, pp. 14-15.
- ³⁰ *ibid.*, pp. 12-13.
- ³¹ *ibid.*, p. 14.
- ³² *ibid.*, p. 43.
- ³³ *ibid.*, p. 46.
- ³⁴ *ibid.*, p. 46.
- ³⁵ *ibid.*, p. 47.
- ³⁶ *ibid.*, pp. 53-54.
- ³⁷ *ibid.*, pp. 55-57.
- ³⁸ *ibid.*, p. 49.
- ³⁹ *ibid.*, pp. 49-50.
- ⁴⁰ *ibid.*, pp. 57-58.
- ⁴¹ *ibid.*, p. 50.
- ⁴² *ibid.*, p. 50.
- ⁴³ *ibid.*, pp. 52-53.
- ⁴⁴ *ibid.*, p. 55.
- ⁴⁵ *ibid.*, p. 58.

- 46 *ibid.*, p. 59.
- 47 *ibid.*, p. 59.
- 48 *ibid.*, p. 249.
- 49 *ibid.*, pp. 250-253.
- 50 *ibid.*, pp. 253-255.
- 51 *ibid.*, p. 256.
- 52 *ibid.*, p. 257.
- 53 *ibid.*, pp. 249-250.
- 54 Waterman, A.M.C., "Property Rights in John Locke and in Christian Social Teaching." *Review of Social Economy*, October, 1982, p. 99.
- 55 *ibid.*, pp. 99.
- 56 *ibid.*, p. 100.
- 57 *ibid.*, p. 101.
- 58 *ibid.*, pp. 104-105.
- 59 *ibid.*, p. 105.
- 60 *ibid.*, p. 101.
- 61 *ibid.*, pp. 109-110.
- 62 *ibid.*, p. 110.
- 63 *ibid.*, p. 110.
- 64 *ibid.*, p. 111.
- 65 *ibid.*, p. 112.
- 66 *ibid.*, pp. 112-113.
- 67 *ibid.*, p. 113.
- 68 Waterman, "Theology and the Redistribution of Wealth." *The Ecumenist*, July-August, 1984, p. 75.
- 69 *ibid.*, pp. 75-76.
- 70 *ibid.*, p. 76.
- 71 *ibid.*, p. 76.
- 72 *ibid.*, p. 76.
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CHAPTER 5

PHILOSOPHICAL TRADITION AND SOCIAL CONTROL

1. Philosophical Tradition

1.1 Introduction

All of the writers considered in this study address the common theme of Christianity and economics. Several hold to a monistic view of religious and economic life, others to a pluralistic view. Some look to a heterodox paradigm to integrate their Christian economic thought, others to an orthodox paradigm. Several believe in an activist role on the part of government, others look to a less obtrusive role. These are simply a few of the differences, and it makes little sense to contrast such views apart from some understanding of why such distinctions arise and how they relate to the overall context of a particular writer's thought. Philosophical tradition provides this context.

Philosophical tradition as described here refers to the historical, cultural, intellectual, philosophical, and religious views shared by an identifiable group of individuals. Marxism, according to this definition, would qualify as a philosophical tradition as would the belief system associated with 19th century European aristocracy or the views and beliefs shared by the *samurai* class in feudal Japan. There are in fact many such traditions, each premised on a peculiar mix of parochial beliefs, heritage, ideas, culture, religion, economic system, etc., and while unanimity of opinion seldom exists within an identifiable tradition, such groupings do in fact explain important similarities in social perceptions and the development and diffusion of social and economic ideas.

Philosophical tradition is, of course, not the only consideration informing one's economic judgment; nor is it true that the thought of all those who belong to the same tradition will necessarily be similar. One only need look at the considerable diversity associated with Catholic views of the economy to refute any such contention. Michael Novak and Arnold McKee both consider themselves devout Catholics, acceding to the same

hierarchical authority and similar doctrinal views. Yet, they also hold to much different views on economics and religion, one advancing a individualistic view of civilization and the other a more communitarian perspective. The distinction is not unique. There are many such examples, and it should be evident that philosophical tradition is an important consideration contributing to a writer's Christian economic thought, but not the only consideration.

It should also be emphasized that philosophical tradition is not necessarily a "determinant" of Christian economic thought. For some of the writers considered in this study philosophical tradition does indeed determine the arguments and perhaps even the structure of their Christian economic thought. For others, however, a predisposition towards a particular economic outcome may have been instrumental in their selection of a theological position or philosophical tradition. There is no clear way to distinguish between the two, and in some cases causality might run both ways. For this reason, it is simply argued that philosophical tradition serves as an important explanatory variable, providing an important framework for understanding why a particular economist or group of economists have advanced a particular economic point of view and how this differentiates their thought from that of other Christian economists.

Parenthetically, a case can be made that philosophical tradition does indeed "determine" a writer's economic thought. Assume for the sake of argument that causality goes from a preexisting set of economic beliefs to a relatively well established philosophical tradition. Even in this "weak" case the economist's thought will almost certainly be influenced by the philosophical tradition of his choosing. Practically all economists must start somewhere and, in so doing, will almost invariably build upon existing ideas, concepts, concerns, modes of inquiry, methodology, etc. Normative beliefs are not insulated from this process, evolving as additional information becomes available, and since such information is closely associated with a particular philosophical tradition, this latter consideration is arguably both a direct and indirect determinant of economic thought.

An exhaustive discussion on the relationship between economics and philosophical tradition is, of course, a dissertation in its own right. For the purpose of this study it is simply sufficient to establish that philosophical tradition provides a useful vantage from which to identify the ideas, beliefs, experiences, culture, religious doctrines, social philosophy, historical setting and other such considerations which may have an influence on the economist's Christian economic thought. These considerations are broadly defined as philosophical tradition, and it is to this issue that we now turn.

1.2 Thomas Nixon Carver

Thomas Nixon Carver, unlike all of the other writers considered in this study, adopted an avowedly social Darwinist view of economic reality. Evolution was in his view a scientific fact, and any understanding of religion must account for this truth or stand the risk of being resigned to a position of historical and social irrelevance. Carver's *Religion Worth Having* was written with this consideration in mind, identifying a social Darwinist view of Christianity as the religion which most closely conforms to the scientific realism of the day.

The social Darwinist view Carver drew upon as the basis for his argument was well-established by the turn of the last century. Five years before the publication of Darwin's *Origin of Species* (1859), Herbert Spencer, advanced the "universal principle of evolution," a principle through which all biological and social life could be organized in a "scientific fashion."¹ Following the Civil War, social Darwinism was popularized by the Yale economist William Graham Sumner. Hired by Yale president Noah Porter as a suitable alternative to the atheistic view advanced by various English classical economists, Sumner soon eschewed all allegiance to the Christian religion, advancing instead a thoroughly secularized view of austere individualism and natural law. "The law of the conservation of energy is not simply a law of physics; it is a law of the whole moral universe, and the order of all things conceivable by man depends on it." As an example, he points to the

"drunkard in the gutter [who] is just where he ought to be, according to the fitness and tendency of things."²

Neither Spencer nor Sumner viewed Christianity as an integral part of their argument, relying instead on universal natural law as a basis for their position. Others, however, looked to Christianity as a foundational premise upon which to advance the social Darwinist position. Writing at about the same time as Sumner, Edward L. Youmans suggested that "science is the revelation to reason of the policy by which God administers the affairs of world,"³ and by this he meant a policy of nationalism whereby America would reign supreme by virtue of social and economic natural selection. A similar view was propounded by John Fiske who argued that:

... the doctrine of evolution asserts, as the widest and deepest truth which the study of Nature can disclose on us, that there exist a power to which no limit in time or space is conceivable, and that all the phenomena of the universe, whether they be what we call material or what we call spiritual phenomena, are manifestations of this infinite and eternal power.⁴

The eternal power Fiske is referring to here is none other than that established by Christ. "Evolution," he declared, "is God's way of doing things."⁵

Not everyone agreed with Fiske's assessment. Conservative Christians such as Charles Hodge, the distinguished professor of theology at Princeton Theological Seminary, joined forces with progressives such as Horace Bushnell and moderates such as Phillips Brooks in condemning evolutionary theory as an affront to God and biblical revelation.⁶ In his book *What is Darwinism?*, Hodge demonstrates a greater mastery over the theory and implications of evolution than do many of the theory's principal proponents, but, nevertheless, equates the new theory with "atheism," arguing that the evolution of man is antithetical and irreconcilable with God's testimony as evidenced in Scripture. At the time of its publication in 1874, *What is Darwinism?* was "widely regarded as the definitive orthodox repudiation and overview of the entire matter."⁷

Most Christian scholars of the period, however, adopted a more moderate position, subscribing to elements of Darwin's thesis while endeavoring to retain the central tenets of Christian doctrine. Unlike Hodge, writers such as Lyman Abbot, pastor at the influential Plymouth Congregational Church in Brooklyn, James McCosh, president of Princeton College, and Benjamin B. Warfield of Princeton Theological Seminary did not view Christianity and evolutionary theory as contradictory.⁸ Nor did they believe, as did Youmans, Fiske, and Carver, that Christianity had to be significantly reinterpreted so as to conform to the new theory. In 1888, Warfield writes: "I am free to say, for myself that I do not think that there is any general statement in the Bible or any part of the account of creation, either as given in Gen. I and II or elsewhere alluded to, that need be opposed to evolution."⁹

Many of the writers who adopted the more moderate position went further than Warfield and sought to explain or redefine traditional doctrinal positions in the context of evolutionary theory. A.H. Strong combined elements of reformed theology, higher criticism of Scripture, and Baptist convictions concerning church organization with a relative openness to evolution. Union Seminary professor, William Shedd defended the Westminster Confession through the use of German high realism and an organic or evolutionary view of historical development. Shedd's successor at Union, Charles A. Briggs, was forced out of the Presbyterian denomination for advancing the basic premises of higher realism and a modified form of Calvinism.¹⁰ Commenting on the efforts of moderate 19th century Protestants to reconcile traditional Christianity with the new theory of evolution, the religious historian Mark Noll writes:

The differences among such theologians were considerable. But what they displayed in common, even when expounding their differences, was a Protestantism still bearing the marks of the nineteenth century - conserving as much or more than innovating, concerned to accommodate (or at least consider fully) the latest advances in general learning, willing to employ combinations of theological resources that by the next century

became incompatible, and writing their theologies to guide general culture as well as simply the church.¹¹

The integrative approach towards Christianity and evolution adopted by these writers was not unusual for the time. The general suspicion which greeted Darwin's *Origin of Species* in the first decade or so after its publication gradually gave way to a relative openness of views. While some writers such as Hodge adopted an unyielding attitude to the new theory, most did not, and it was not until the first and second decades of the Twentieth century that the issue polarized the church.

Starting in 1910 a series of books by leading evangelicals were circulated for the purpose of defending the fundamental tenets of the Christian faith. Referred to as *The Fundamentals: A Testimony of Truth* the series asserted that the "Bible is the inspired word of God, that Jesus Christ was God in human flesh, was born a virgin, lived a sinless life, died on the cross for the salvation of men, rose from the dead, ascended into heaven, and would return at the end of the age in great glory..."¹² While Warfield and few of the other contributors to the *Fundamentals* demonstrated an openness to evolution, most did not, and in a few short years evolution would "become anathema among self-designated fundamentalist."¹³

Writing at approximately the same time as the *Fundamentals* was being circulated, Carver was probably aware of the increasingly acrimonious controversy revolving around the entire question of evolution. But it would not be for several more years that any effort to introduce evolutionary ideas into Christian thought would meet with immediate and hostile opposition by a significant proportion of practicing Christians. It must have appeared at least from his perspective that an integrative approach combining elements of both represented the one best opportunity to advance a social Darwinist view of reality, a perspective central to his view of national survival.

Carver, as we have noted here, was not the first social theorist to advance a Christian view of social Darwinism; nor was he the first to tie social Darwinism to nationalism -

Spencer, Youmans, and Fiske had done so during the previous century. But the early Twentieth century was much different from that of the 1870s and 1880s. Nationalism was a much more pervasive consideration in the years leading up to World War I than it had been during the two decades following the Civil War, and this latter consideration must have loomed large in Carver's thought.

Writing during a time of great national rivalries, colonization, and national alliances, it must have appeared to Carver as it did to many other Americans that the world was enveloped in a struggle for national survival. At the time he published his *A Religion Worth Having* (1912), Europe was on the brink of war, and America's freedom and security was not something to be taken for granted. If America were to survive and prosper, it would not be through the good will and generosity of foreign powers, but through military and economic strength, and while the country abounded in these characteristics by the turn of the last century, it dare not relent in the struggle for survival. In order to retain its position as a preeminent power, Americans would have to reject the frivolous, short-sighted behavior associated with lesser, bygone civilizations, and adopt the sober-minded, far-sighted work ethic which was the source of the nation's greatness.

What Carver had in mind was the independent, hard-working, frugal-minded behavior peculiar to the American Midwest, and the image he evoked was that of the home spun Indiana farmer. It was not a desire for wealth or material possession, Carver argued, which motivated the efforts of the Indiana farmer, but a sense of devotion to one's family, friends, community, and heritage. This tradition manifested itself in long hours, thoughtful management, long-term investment, self-reliance, and thrift. It was these characteristics along with the knowledge, skill, and capital passed on from one generation to the next which made the Indiana farmer among the most productive and prosperous farmers in the world, and it was this ethos which best prepared America for the struggle which was sure to come.¹⁴

In developing this philosophy, Carver distinguished between an ethos premised on wealth and one premised on tradition and a sense of moral purpose. A single-minded desire for wealth would not engender the type of behavioral attributes most conducive to long-term economic prosperity. Indeed, economic endeavor for the sake of wealth would have the perverse effect of creating an envious, nonproductive, self-indulgent, class of consumers who having achieved their objective would find little else to do other than to engage in conspicuous consumption. Such behavior Carver believed would be disastrous for the nation, undermining the work ethic, frugal life style, and middle class values which made it the most prosperous country in the world.¹⁵ What was needed was an ethos predicated on a higher standard, and Carver found none to be so compelling as religion.

It was religion, Carver argued, which induced many of the great changes witnessed throughout history, and it was religion which accounted for the great dissimilarity in productivity between individuals, peoples, and nations. While he did not go so far as to suggest that the ethos of the Indiana farmer was determined by a particular religion, it was evident that the ethos typified by the Indiana farmer was congruent with certain religious beliefs, and that the adoption of such beliefs would engender much the same result. An inspection of history clearly revealed this truth, for it was obvious that those societies which esteemed the productive life as part of their culture and religion were more successful than those societies which did not. This was the idea advanced in *A Religion Worth Having*, and it was the basis for Carver's selection of Christianity as the religion most conducive to the productive life.

Not all renditions of Christianity, however, will promote the productive life. Some call on men to forsake reason and live a life of poverty and self-deprivation. Such, however, was not the religion handed down by Christ some two thousand years ago. Christ, Carver argued, never called on his followers to live a life of asceticism, but advanced a much more prudent doctrine based on material and spiritual reward. This is evident in

Scripture where Christ exhorts his followers to abide by the principles of honesty, hard work, self-reliance, and faithfulness.¹⁶

These attributes were fully in accord with God's system of creation. The natural order rewards the hard-working, thrifty, diligent individual with the blessings of this world, and punishes the slothful, profligate, sinner with poverty and perhaps even death. This, Carver concluded, is as it should be for no other reason than that God willed it to be. God, he argued, is anything but capricious, and He would not advance principles which stands in opposition to the natural laws of His creation. The alternative view represents a heresy, and where this has occurred, moral and economic vitality has given way to wretched, corrupt conditions - conditions more becoming the backward, nonproductive societies of the infidel than the strong, independent, societies of Christendom.¹⁷

The social Darwinist view of Christianity Carver is advancing here was quite popular during the early part of the Twentieth century. Carver was not only aware of this, but went to considerable lengths to justify Christianity on this very basis, employing both Scriptural references and historical evidence in support of this analogous interpretation. His view of social Darwinism differed, however, from the biological version advanced by Spencer, Sumner and others. Human success, he argued, was not so much a consequence of innate superiority as it is of a productive life style. Individuals are essentially in control over their own destinies, and those who make the right choices will reap the benefits associated with such choices. Those who do not will reap the equally bitter harvest of failure. This great truth, Carver declares, is revealed in Scripture, and it is the responsibility of the individual to abide by such teachings. While biological distinction is not unimportant, it is distinctions in behavior which ultimately determine the fate of men, and it is in this regard that Christianity has much to offer.

The foregoing discussion reveals much about Carver's philosophical beliefs and the tradition he looked to as symbol of such beliefs. It was the Indiana farmer who Carver admired most, and it is clear that this somewhat idealized stereotype of the conservative,

hard-working, middle class American stirred his mind much in the same way as the peasant yeomanry stirred Thomas Jefferson's vision a century earlier. The powerful image evoked by Carver was shared by many 19th and early 20th century Americans, and it is a tradition many contemporary writers, social theorist, and populist still invoke when talking about the uniqueness of the American experience. Carver, however, took this ethos one step further, tying it along with Christianity and social Darwinism to economic success, prosperity and national survival. While the social Darwinist philosophy he espoused was not new, the peculiarly American ethos he tied it to certainly was, and it was this tradition that he looked as a basis for his thought.

1.3 Ely, Clark, Commons, Andrews and Bemis

Unlike Carver, the philosophical tradition of Ely, Clark, Commons, Bemis and Andrews can be traced to parochial influences which shaped their view of Christianity and social relations; a then prevalent ethos of Christian volunteerism which convinced these writers of the importance and feasibility of voluntary efforts, and a corporate view of Christianity which though diminishing was still evident in a number 19th century Calvinist churches. Together these three considerations afforded these writers a unique perspective on the social role of Christianity in 19th century America.

1.3.1 Parochial Influences

All of these writers held to a reformation view of society, a view premised on the integral role of religion in all areas of human life. All believed as did their Presbyterian, Baptist, and Congregationalist forefathers in the solidarity of humankind; all agreed that authority and power are provisional, being contingent on a Godly-ordained responsibility towards one's fellow man; and all believed that the church should play an instrumental role in accomplishing this end. Finally, all of these writers looked to a civic-minded, voluntary

ethos as a model for America society, an ethos which linked a wide number of Christian churches in a unified effort to reform 19th century American society.

Such views were certainly evident in the thought of Richard Ely, who more than any other writer could be viewed as the consummate crusader, championing the cause of the underdog and oppressed in the presence of social and economic injustice. Such zeal, Ely acknowledges in his autobiography, was inspired in part by the moral fervor of his forefathers who settled in Old Lime, Connecticut during the 1640s. True to the Puritan tradition upon which Connecticut was founded, the Ely clan shared a common belief that religion should play an leading if not dominant role in society. His uncle, Ezra Stiles Ely, caused a stir by advocating the formation of a United Christian Party during the Jacksonian period. His father was known to be a strict proponent of an austere Calvinist lifestyle, abstaining from ostentatious displays of wealth, gambling, alcohol, and other un-Godly practices, and was even known to refrain from working on the Sabbath during the harvest, a practice which threatened the financial well-being of the Ely family. Beyond this the Ely clan believed that Christians were called to secure justice here on earth, whether it be on a national level as was the case with the abolitionist movement which came into existence during the early part of the century, or at a local or personal level as was the case when his father took a personal interest in a mistreated prisoner.¹⁸

Commons' mother was likewise an ardent Presbyterian, and, similar to Ely's father, placed considerable importance on the Puritan view of social justice, naming her son John after the Puritan martyr John Rogers who was burned under the reign of queen Mary during the reformation. As a young woman she aided her family in their efforts to help runaway slaves. Later in life she was instrumental in her son's decision to study at her alma mater, Oberlin College, following him to the small Ohio college with the hope that he would study theology and enter the ministry. Not content to lead a merely passive role, she became a vocal proponent of social reform during this period, promoting the causes of

temperance and women's suffrage through various Christian organizations and publications.¹⁹

Commons' matriculation at Oberlin must also be viewed as significant. Founded in part by the famous 18th century revivalist and social reformer, Charles Finney, Oberlin was from its very inception a progressive if not radically-minded Christian institution. During the 1830s, it led the nation in issues relating to women's rights, abolitionism, and voluntary societies. Much of this tradition continued unabated after the Civil War, and the progressive voluntary ethos and socially progressive theological perspective Oberlin scholars brought to their subject was much more significant than their relatively small numbers would indicate.²⁰ Upon leaving Johns Hopkins University, Commons would return to his alma mater to teach sociology to theology students so as "to furnish the general reader, especially the Christian minister and worker, a list of the best available books on important sociological problems."²¹

Clark, Bemis, and Andrews came from similar backgrounds. All traced their heritage to colonial New England; all were raised in devout Calvinist households; and all shared the belief that Christianity should play an active role in the establishment of social and economic justice here on earth. Andrews was an ordained minister in the Baptist church, a denomination which traced its lineage to Puritan separatist during the late 16th, early 17th century. A professor at Newton Theological Institute for two years, Andrews served as a pastor at a New England Baptist church before settling in a career in academia.²² Bemis, similar to Ely, traced his lineage to the Puritan settlers who landed at Boston during the seventeenth century, and it was to the 17th century Puritan community of Springfield, Massachusetts that he turned to as solution to the problems besetting 19th century America.²³ Clark, was also raised in New England, came from a long tradition of Congregational ministers, and similar to Ely was expected to enter the ministry.²⁴ Similar to Ely and Commons, all of these writers looked to a communitarian Christian ethos as an

alternative to the ethos of individualism which characterized the economic and social relations of much of 19th century America.

1.3.2 Calvinism and a Communitarian Social Ethos

True to this tradition, these latter writers argued that human behavior including that pertaining to economic decisions cannot be adequately explained apart from a theologically correct view of man. They further argued that neither capitalism nor any other system will necessarily assure economic justice or widespread prosperity. Favorable social and economic outcomes, according to this view, are implicitly premised on the establishment of progressive social and institutional structures and a strong sense of personal and collective responsibility. In a fallen world neither result is guaranteed, and it is only through the redemptive work of Christian civilization that the foundational basis for a viable and just social order is established. This responsibility is to be accomplished in part through the Christian church which as God's instrument in this world is uniquely positioned to redeem the institutions of fallen man.

The historical and theological origins of this view are many and it would be erroneous to ascribe the positions held by these economists to only one philosophical lineage. If one philosophical tradition were to be identified, however, it would have to be Calvinism. The Congregationalist settlers who landed at Plymouth rock and later at Boston were Calvinist as were the Baptist and Presbyterians migrants who followed in their wake.²⁵ Despite the loss of political hegemony and a drift toward secularism during the 18th century, Calvinism continued to wield a significant degree of influence as in the case of Jonathan Edwards during the 1740s and as a stimulus to rebellion during the American Revolution.²⁶ During the 19th century, many Calvinists aligned themselves with evangelicals Christians, establishing a variety of voluntary societies, and while Calvinists tended to adopt a more conservative view on theological issues than theological modernist such as

Ely, Clark and Commons, their views on society and economics were not unlike that advanced by their more theologically liberal counterparts.²⁷

The nexus of common social beliefs linking Calvinist and Arminian churches during the 19th century can be traced to a communitarian view of social reality. Despite significant theological differences, various churches and denominations during the period shared a common belief in the unanimity of man. All of humankind, according to this view, are linked by a common creational heritage. It was the fall of man which destroyed the bonding of love and social responsibility which induces men to place the welfare of others equal to or above their own. This, however, was not God's will, and in emulation of Christ, the Christian is called to 'love thy neighbor as thyself,' viewing friend and stranger alike with the same love Christ demonstrated to the unworthy sinner. While this tenet was accepted by all Christian denominations of the period, some denominations and churches placed greater emphasis on the fulfillment of this commandment than others, and it was this distinction which accounts for the considerable diversity in Christian social views during the period.²⁸

In his book *The Seeds of Secularization: Calvinism, Culture, and Pluralism in America 1870-1915*, Gary Scott Smith documents the extent of progressive social views held by various Calvinist writers and denominations during the period. While many "Reformed Christians tended to spur evangelism and social action"²⁹ believing that Christ first changed individuals' hearts, others joined with the social gospellers, to form the Federal Council of Churches in 1908 and to sponsor the Men and Religious Forward Movement in 1911-12, both groups being formed for the purpose of combating social problems.³⁰ Calvinists were also active in the war against moral depravity and alcoholism caused by "indigence, idleness, ignorance, and child abuse."³¹ Many supported universal education, others fought in behalf of the factory worker and against child labor, and many labored in behalf of disenfranchised immigrants, blacks and poor whites.³² Commenting

on the position adopted by many Calvinist towards the urban poor, Smith writes:

Calvinist interest in institutional churches and urban missions testifies to their belief that the gospel must save the cities. In the decades following the Civil War, they became increasingly concerned with the poverty, corruption, and filth accumulating there. By many 1880 many argued that rapid population growth, increasing strength of Romanism and atheism, and widening separation between rich and poor required Christians to develop more urban ministries. 'In the great cities lie the danger of our modern civilization,' one asserted; they were 'the hotbeds of vice and crime, the dens whence issue forth the vast criminal army which must be conquered or become the conqueror.'³³

Smith also documents the extensive efforts undertaken by Calvinist churches in establishing the type of community network of social services sought by Ely, Commons, and Bemis. Commenting on such efforts, he writes:

Under the leadership of pastors Wilbur Chapman and A.T. Pierson, Bethany Presbyterian Church, a Northern Presbyterian congregation located in Philadelphia, reached 10,000 persons each week through its educational, economic, recreational, and evangelical ministries. The congregation maintained a home for women and children, an inn for men, a social club for the men, a cooperative society that provided sick and death benefits, a day nursery, kindergartens, diet kitchens, an employment bureau, and dispensary. Members established Bethany College, an institute for artistic, musical, business, and industrial training, and the First Penny Savings Bank to stimulate thrift. Through similar institutional churches such as First Presbyterian in Seattle, pastored by Mark Matthews, and ministries to immigrants, black, and poor whites, other Reformed Christians also worked steadily for social improvements. By 1898 Northern Presbyterians alone maintained over one hundred mission day and industrial training schools and by 1911 the denomination sponsored forty social centers in immigrant communities.³⁴

1.3.3. The Second Great Awakening and Christian Volunteerism

While personal experience and the Calvinist emphasis on community and social service convinced Ely, Commons, Clark, et al., that a communitarian social vision had a long and enduring legacy in American society, it was not the only consideration which convinced these writers that an alternative American ethos would be well-received by a

growing urban population. The Second Great Awakening, as it is now referred, also loomed large in the psyche of 19th century Christian America and in many respects it was more important and certainly more dramatic than the Puritan doctrines and legacy handed down to various 19th century American churches. Spanning a 35 to 40 year period starting about 1800, the Second Great Awakening was characterized by innumerable religious revivals and a resurgence in Christianity. By the end of the period America had become in the words of the Tocqueville, "the most thoroughly Christian nation in the world."³⁵

The events and consequences of the Second Great Awakening defy a brief discussion. There are, nevertheless, four considerations worthy of mention. First, the awakening brought about a tremendous growth in the absolute and relative number of practicing Christians. Church attendance had fallen steadily during the 1700s and by the 1790s had reached an all time low of between 5 to 10 percent of the American population, although a higher percentage attended church with some regularity without officially becoming members of the church.³⁶ The Second Great Awakening reversed this decline, with the number of evangelical clergymen and practicing Christians growing at a much faster rate than the general population.³⁷ Second, the theological drift which characterized American Christianity during the 1700s was effectively checked by a growing number of theological conservative evangelicals.³⁸ Third, the preponderance of Calvinist denominations and church members which existed during the 17th century had gradually given way to a rising number of Arminian churches and evangelical Christians.³⁹ Finally, the Second Great Awakening engendered the establishment and growth of a large number of interdenominational associations and ministries.

The last of these four considerations, the establishment of voluntary associations, was especially significant for American Christianity. From about 1810 to 1830, dozens of interdenominational associations and societies were formed, some for the purpose of promoting the gospel, others for the purpose of reforming individuals, and yet others for the purpose of reforming society. All were predicated on voluntary contributions of time and

money and despite the inherent problems associated with long-term funding and manpower, many continued to play an important role in American Christianity well into the Twentieth century. Among the dozens of societies and associations formed during this period the most notable were referred to as the "Great Eight Benevolent Societies":

1. The American Board of Commissioners for Foreign Missions, founded in 1810 and headquartered in Boston;
2. The American Education Society, founded in 1815 and located in Boston;
3. The American Bible Society, founded in 1816 and located in New York City;
4. The American Colonization Society, founded in 1816 and located in New York City;
5. The American Sunday School Union, founded in 1817 and located in Philadelphia
6. The American Tract Society, founded in 1826 and located in New York City;
7. The American Temperance Society, founded in 1826 and located in New York City,
8. The American Home Missionary Society, founded in 1826 and located in New York City.⁴⁰

In addition to these, innumerable other societies were founded for the purpose of promoting "antislavery, women's rights, prison reform, temperance, world peace, education, Sabbath observance, and many more."⁴¹ Bringing in relatively large amounts of money, the societies, in the words of one observer, became 'immense institutions spreading over the country, combining hosts ... a gigantic religious power, systematized, compact in its organization, with a polity and a government entirely its own.'⁴² Many of these associations are still in existence today, and at the time they represented nothing less than a viable alternative to government both in terms of their contribution to the poor and sick and in terms of total budget.⁴³

The voluntary associations represented a major thrust in American Christianity during the Second Great Awakening, engendering a sense of ecumenicalism, enthusiasm, and hope among religiously diverse Christians. Calvinists and Arminians joined together in a new spirit of cooperation and optimism, putting aside theological differences for the greater cause of reaching the unbeliever and serving Christ. Commenting on the

cooperative spirit and enthusiasm of the period, religious historian Keith Hardman writes:

In their desires to keep the Christian message abreast of the times, and to present a united evangelical front for the conversion of America, both revivalistic Calvinists and evangelical Arminians thus came to almost the same formula: a gospel of God's grace that would strongly appeal to every morally responsible person. Then, as with Finney, both Arminians and Calvinists wished to draw each convert into a practical, pragmatic Christianity - to further the Kingdom of God on earth through specific projects and reform efforts. Since this fit the America spirit of activism, human cooperation with the Deity was readily directed toward social reform.⁴⁴

Christian activism did not end in the 1830s. Charles Finney, the most influential and best known American revivalist of the 19th century, would move to Ohio, help found Oberlin College, and in cooperation with like-minded individuals establish a long-standing activist agenda which would continue until well after the Civil War.⁴⁵ Troubled by what he saw as the individualistic focus of revivalism, the Christian philosopher and theologian Horace Bushnell would publish a series of books during the 1840s and 1850s, emphasizing "the organic nature of family, church, and community,"⁴⁶ His best selling book, *Christian Nurture* would become something of a manifesto of the religious education movement, advancing the argument that the Christian child "is to grow up a Christian, and never know himself as being otherwise."⁴⁷ The Christian abolitionist Theodore Dwight Weld, founder of Lane Seminary in Cincinnati, published *Slavery As It Is* (1839), "a vivid account of Southern slavery that had great effect on the reading public."⁴⁸ Such was the impact of Weld's book that a wife of a Lane Seminary professor, Harriet Beecher Stowe slept with it under her pillow, 'till its facts crystallized into Uncle Tom.' In 1852, she published *Uncle Tom's Cabin*, a book described by one critic as 'perhaps the most influential novel ever published .. a verbal earthquake, and ink-and-paper tidal wave.'⁴⁹ Throughout her long life, Mrs. Stowe remained convinced that it was God, not her, who had written the book.

The view of 19th century Christian social activism identified in the foregoing discussion has many attributes and origins. The Puritan ethos of personal humility, avoidance of ostentatious displays of wealth, and an emphasis on hard work, but not for the purpose of acquiring wealth is evident in the autobiographic works of Ely and Commons and Andrew's *Wealth and Moral Law*. The spirit of volunteerism which first emerged during the Second Great Awakening is emphasized in Ely's *Social Service*, Commons' "The Christian Minister and Sociology," and Andrew's "The Duty of a Public Spirit." The organic view of human relations emphasized by Calvinist churches and early proponents of the social gospel such as Horace Bushnell is emphasized in Bemis' "The Relation of the Church to Social Action," Clark's *Philosophy of Wealth* and his discourse on the 'the tie that binds,' Ely's *Social Christianity, Social Solidarity* and his interpretation of 'the parable of the talents,' and Commons' "The Church and Problem of Poverty." When considered as part of an overall philosophy or view of social reality, all three elements afford a distinctive perspective of what 19th century Christian America was and in the minds of these writers able to become, and it is on this basis that they sought to advance an ethos of political activism, social cooperation, and paternalism premised on a spirit of Christian love.

1.3.4 A Pluralistic View of Christianity

The communitarian ethos advanced by Ely and others was by no means common in 19th century America. Many if not most Americans during this period, Christian Americans being no exception, believed that religion was largely a personal matter, and it was up to the individual to make the appropriate judgment on issues pertaining to business, politics, community, and state. Religion, according to this view, was a personal issue, and the specter of a politically involved church appeared peculiar to some and dangerous to others, leading to discontent, polarization, and social unrest.

Many Christian churches supported this pluralistic view, believing that practical concerns limited their ability to make a real difference in society. The positions advanced

by the Social Gospel movement and other proponents of Christian social activism were widely criticized by business interest, local pastors who were unwilling to risk the ire of the well-to-do merchant class, and conservative theologians who were more concerned with the apparent drift in theological orthodoxy than the estrangement of a largely unchurched urban population.⁵⁰ Moreover, grassroots activism required some understanding of economics, sociology, and social Christianity, and this, as duly noted by Ely and Commons, was not to be found. Christian churches were simply unprepared for the task. Ely, Commons and others would have them perform, and in the absence of a clearly defined objective and the knowledge necessary to implement such an objective, many local churches thought it wise to avoid the issue altogether.⁵¹

Apart from practical problems, there was a belief that such efforts were theologically dubious and of negligible significance in the overall scheme of things. Human existence, it was argued, is tainted by the fall, and those who looked for social and economic redress in this world will be surely disappointed. A preoccupation with improving conditions in this life, it was further argued, implied a negligence of the weightier matters pertaining to the life to come. The Gospel does not call Christians to reform society and efforts to do so under the guise of Christianity is to distract from the much more important issue of salvation. Elements of this argument are evident in the dispensationalist theology advanced by John Darby and C.I. Scofield,⁵² in the sermons and writings of such notable 19th century evangelicals as DL Moody and Billy Sunday,⁵³ in the experiential view of Christianity popularized by the 19th century holiness movement,⁵⁴ and in the official doctrine of a number of 19th century mainstream Protestant churches.⁵⁵ All agreed that the role of the church was to preach salvation and living the Christian life, and neither, it was argued, is in any sense contingent on the social or economic circumstances of men.

At an even more fundamental level, the emphasis on piety and personal responsibility reflected a gradual transition away from the corporate view of Christianity towards the individualistic view popularized by the various revivalist and evangelical churches

which flourished during the Second Great Awakening. This transition is evidenced in the following table comparing denominational membership during the time of the American Revolution with that of 1850.

The Denominational Shares of Religious Adherents:⁵⁶

The United States, 1776 and 1850

1776		1850	
(1) Congregationalist	20.4%	1) Methodist	34.2 %
(2) Presbyterian	19.0%	(2) Baptist	20.5%
(3) Baptist	16.9%	(3) Roman Catholic	13.9%
(4) Episcopalian	15.7%	(4) Presbyterian	11.6%
(5) Methodist	2.5%	(5) Congregationalist	4.0%
(6) Roman Catholic	1.8%	(6) Episcopalian	3.5 %

The two denominations most closely associated with the Puritan period, the Congregational and Presbyterian church, had by 1850 failed to retain the leadership they once had, and with this loss of influence came a subtle yet far reaching transformation in social perception. Commenting on this transition and the importance it played in terms of prevailing social views, Noll et al. writes:

... American evangelicalism, at least since about 1870, however, provides only more paradoxes in our search for continuations of a truly Puritan influence in American culture. Evangelicals also participated in the process of secularization, and as they did some of the chief casualties were valuable aspects of the Puritan ethical tradition. Much of modern evangelicalism and fundamentalism tended to shift the focus in Christianity from God's sovereignty to the personal human experience. Typically the epitome of Christian experience was described as a special act of consecration in which one gave up oneself (as in 'laying all on the altar') and allowed Christ or the Holy Spirit to take over. Those who so consecrated themselves attained what they considered to be a life in which they enjoyed at least consistent victory over sin. The spiritual sensitivities, concern for holiness, and evangelicalism zeal associated with this position certainly have often been admirable. Yet such perfectionism tendencies in American evangelicalism often involved the contraction of the areas that sanctification touched. The Christian life came to involve largely 'spiritual' activities, especially personal devotions, witnessing about one's own experience, and the avoidance of select

symptoms of worldliness. It tended also to be strongly individualistic, with relatively little sense of corporate callings or responsibilities.⁵⁷

1.3.5 Response to Pluralism

Ely, Commons, Bemis, et al. were quite critical of the individualistic view of Christianity emphasized by 19th century evangelicals, believing that perfectionism through salvation did not necessarily engender the type of social ethos and cooperation emphasized throughout the New Testament. The church they maintained had both a spiritual and social responsibility, and an emphasis on the former to the exclusion of the latter segmented social and religious life in a way which would be judged peculiar by Christianity's principal founder and architect. More importantly, the failure to relate what is preached on Sunday to what is done on Monday had led to a dichotomization of belief and behavior, a situation whereby "men are ... quite willing to make long prayers on Sunday, if on week days they may devour widows' houses."⁵⁸ It was a great irony, they argued, that a religion which gave no quarter to exploitation should be practiced by those who not only exploited or mistreated others, but did so with a clear conscience and a sense of accomplishment.

It was contention of Ely and others that America's Christian churches were responsible for this unfortunate state of affairs, and it was this error which they endeavored to redress. They diagnosed the problem as being one of omission rather than commission, a situation whereby the church had simply failed to equate egregious economic behavior with disobedience of God's commandments. Yet, what Ely and company were encountering was not so much a departure from a common belief system, as a distinctiveness born out of dissimilar theological and social heritage. Many of the Christian churches to which they preached their message held views quite unlike those to which they were accustomed. Such differences had evolved over decades, if not centuries, and it was perhaps a belated recognition of this fact which prompted these writers to eventually disengage from what must have been perceived as a futile endeavor.

The peculiar mix of Puritan heritage, Calvinist communitarianism, and 19th century volunteerism was, of course, not the only consideration which motivated their thought. Nineteenth century Christianity was under siege. Darwinian evolution had undermined its foundational premises and the ascendancy of scientific realism threatened its traditional position in society. Some responded to this challenge by advancing what would later be referred to as 'modernist theology,' a theology which endeavored to link Christianity with the scientific, social, and economic reality of the day. In Germany, this took the form of high realism, whereby biblical text was no longer viewed as a literal rendition of history and reality, but as a symbolic story of man's incessant struggle with evil. In the United States and England, modernist theology often de-emphasized the more traditional biblical view of creation and miracles in favor a unified blend of Christianity, science, and social reform. In all such cases, the emphasis was on rescuing Christianity from the onslaught of individualism, science, and secularism.⁵⁹

Other considerations were important as well. The urbanization and industrialization of American society, the advent of large corporations and monopolistic market structure, the threat of radical socialism and social upheaval, and the socioeconomic views of the German historical school were all also instrumental in Ely, Clark, Commons, et al. decision to advance an alternative vision of American society and a heterodox conception of economics. Yet, it was the peculiarly American view of volunteerism tied to social redemption which convinced these writers that Christianity should and indeed does play an important role in the economic affairs of men.

Apart from this belief it is difficult to see why a group of professionally trained academic economists would place such an emphasis on Christianity in their economic and social thought. In the case of Clark and Andrews, Christianity represented a bulwark against economic injustice and exploitation, providing a moral basis for legal and institutional reform. Such views find much in common with that held by their families and personal acquaintances, various Calvinist churches, and social gospelers, and the similarity

between their thought and that advanced by others who sought to retain the communitarian ethos of an earlier period must be judged as more than coincidental.

In the case of Ely, Commons, and Bemis, Christianity served as a unifying and redemptive force through which the rapidly emerging urban slums of late 19th century America could achieve a semblance of communal cooperation and the poor a measure of economic justice and security. This thesis, as Ely points out, was not unique to late 19th century Christian thought, but could be traced to the Christian ethos which existed during first century AD, a time when Christians were called to hold all possessions in common. This ethos, however, had been abandoned in favor of a heretical view of human existence, a view which emphasizes the first of Christ's two great commandments, but not the second.⁶⁰ Bemis and Commons were of similar opinions, arguing that Christianity cannot be separated from the culture in which man lives, and that efforts to do so represents a heretical departure from the teachings of Christ.

America was in need of social redemption, and this, they argued, could be accomplished through the inculcation of Christian values, the dissemination of economic knowledge and know-how, and the promulgation of a cooperative, as opposed to individualistic, view of life. Bemis looked to the 17th century Puritan community of Springfield, Massachusetts for an understanding of the how their colonial forefathers sought to accomplish this task. Ely wrote extensively on the role of social service and solidarity as a necessary first step towards a more conciliatory and cooperative Christian society. Commons took issue with the doctrines of *laissez-faire* classical economists, arguing instead that social considerations precluded an improvement in the condition of the poor and that what was required was the localized efforts of the Christian church to break a cycle of ignorance and social devolution. All of these ideas, it is important to note, were advanced on a more localized level by a number of 19th century Calvinist churches and by a number of early proponents of the Social Gospel movement.

All of these writers believed that Christianity was not only relevant with regard to its influence on social and structures, but also as a point of departure for understanding "economic man." It was John Bates Clark who first suggested a new view of man, one which is actuated by "higher psychological forces" and resembles "the man who God has created."⁶¹ Ely, Bemis, Commons, and Andrews shared this view, observing first hand the difference religion makes in the attitudes and behavior of men. The individualistic, wealth maximizing view of economic man was in their view a social aberration, born out of a misguided notion of human behavior. The economic man posited by classical economists, represented only one of many views of economic behavior, each being contingent on a multitude of considerations including culture, religion, and the type of society in which people dwell. While self-interest describes the economic behavior of modern man, the secularist view advanced by Smith, Senior, Mill and others represented a step in the wrong direction, denying, as it does, Christ's redemptive work in the minds of men.

What disturbed these writers most, however, was the implicit rationalization afforded such views by conservative evangelical Christians, and it was this group that these writers were most interested in influencing. From the exhortative nature of their writings, it appears as if they viewed socially conservative Christians as brothers in arms, who due to a misguided and outdated notion of Christianity were unwittingly leading the nation down the wrong road. American Christianity was at a cross roads and unless it took concerted efforts to challenge the concomitant threats of socialist doctrine, class hostility, secularism, and social disintegration, it would lose the allegiance of the rapidly emerging class of urban poor. Clearly, this was not the objective of evangelical-minded Christians, and it was only because of misunderstanding that conservative evangelicals failed to see the potential danger of their position. Ely, Clark, Commons, et al. endeavored to make this danger known, and much of what they wrote in the context of Christian economics was developed with this objective in mind.

1.3.6 Toward A Restoration of Society

The Christian communitarian ethos advanced by these writers held much in common with the historical view of economics Ely, Clark and others brought with them from Germany. German historicists and New England Calvinists both held to a monistic or "organic" view of social and economic reality. Both took issue with the harmonious, mechanistic view of the world - albeit from a different perspective, and both posited human progress as a problematic event, dependent as it is on the conscious, concerted efforts of progressive-minded individuals.

Many of the ideas and beliefs originating from these two alternative views of economic and social reality were, of course, different, and Ely and Clark and to a lesser extent Commons and Bemis sought to glean distinctive elements from each. They adopted the German historical perspective on economics. Economic systems, according to Rosher, Hildebrand, Knies, and others reflect a multitude of complex interactions, including culture, sociology, history, technology, and religion, and at the center of all of this is "economic man" who is neither rationale, nor absolute. Humankind, according to this view, has the choice of shaping culture in accordance with the precepts of Christianity or as an individualistic, man-centered system which glorifies wealth and rationalizes exploitation. Society is defined neither by natural law nor by a spirit of acquisition, but by the conscious and unconscious decisions of those who populate society.⁶²

This being the case, it follows that Christians have a responsibility to shape the world in accordance with God's will. Man and the world in which he lives has fallen far short of what God intends for His creation, and while the risen Christ has redeemed the sinner, the world remains tainted by the consequences of sin. As God's chosen instruments in a fallen world, the Christian should endeavor to redeem the world, and this by implication means the abolishment of injustice wherever it may be found. In the case of Ely, Commons, and Bemis, this was to be accomplished through grassroots initiative and political activism; in the case of Clark and Andrews, by more systemic changes in the legal

and institutional structures upon which society is predicated. In both cases, Christianity and science are inextricably linked, and any solution to human problems must account for both.⁶³

From the discussion of the Christian economic thought of Ely, Clark, Commons, et al. in the second chapter, it is evident that these writers endeavored to reshape American society. America during the late 19th century was in their estimation in a state of impending crisis. Social alienation, poverty, class hostility, exploitation, and myriad of other problems had weakened social cohesion to the point where social upheaval and violence was a real and present danger. In response to this, traditional evangelical Christianity had little to offer other than the hope of a better life to come in the hereafter. This in the minds of these writers was simply insufficient for no other reason than that the problem itself undermined the solution. Faced with such platitudes, the teeming masses of urban America were just as likely to turn to the Godless philosophies of socialism and Marxism as to Christianity, and this, of course, would not only threaten the nation, but estrange millions of Americans from the Christian religion upon which their salvation ultimately rested.⁶⁴

As a solution, these writers looked to the less competitive, more egalitarian ethos still evident in numerous Christian households and communities throughout America. The country was generally sympathetic to the Christian religion; Christian volunteerism was viewed as an established and well-accepted mode of social activism; and a number of Calvinist churches still retained the corporate view of religion propounded by the Puritans. Together these considerations provided a basis for an alternative social vision, and it was upon this vision that Ely, Commons, Clark, et al. premised much of their Christian economic thought. The philosophical tradition as suggested here was much more than intellectual, providing the *means* through which to promote their vision of a just Christian society.

1.4 John Tiemstra

The philosophical tradition Tiemstra brings to his thought is especially revealing. Similar to Ely, Clark, Commons et al., Tiemstra adopts a heterodox approach to the study of economics, arguing that economics is subject to the same type of presuppositions and biases which invest all types of academic inquiry. Economists, for this reason, should explicitly reference the philosophical assumptions underling their thought, eschewing the type of implicit value-laden assumptions characteristic of neoclassical economics. In the case of the Christian economist, this implies an avowedly Christian perspective of economics, acknowledging the preeminence of Christ in human affairs, identifying idolatry and injustice in all their myriad forms, and advancing solutions designed to redress such problems.

Tiemstra's view of social and economic redemption is distinctly different from that advanced by most secular-minded policy makers. Yet, it is not without precedence, being similar to that advanced by a number of reformation theologians and the reformation and post-reformation Roman Catholic Church. Up until the 18th century a monistic view of church and state was more the rule than the exception in most Western societies, and it was only with the ascendancy of enlightenment views during the 18th century and the epistemological demarcation between science and religion during the 19th century that most Christian churches acceded to a pluralistic role for religion. Despite this, a sizable minority of Christians still maintain that Christianity is relevant to all areas of life and that academic inquiry and public policy should reflect this relevance.

This view appears to be especially prominent among those Christians who subscribe to the teachings and doctrines of John Calvin, as does Tiemstra. Holding to a monistic view of Christianity and culture, it was Calvin's contention that all areas of human life are subject to God's dominion. All should be done to the glory of God, and no institution or person is absolved from His teachings and commandments. This includes the buyer

and seller, borrower and lender, employer and employee, governmental ruler and his subjects - all realms of human life.⁶⁵

This view of Calvinist social thought is quite different from that popularized by the famous 19th century German sociologist Max Weber. It was Weber's contention that Calvinism was the single most significant factor in the development of capitalism. Protestant countries and regions - especially those with a large Calvinist contingent - developed at a much faster pace than Catholic countries during the 17th and 18th centuries, and this, Weber argued, was more than coincidental. Calvinism, he argued, brought in its wake an ethos ideally suited to the development of capitalism. Liberal economic ideas, frugality, hard work, and a belief that material success reflects God's blessings on the favored few provided the emerging commercial class the influence and power it needed to effect a fundamental transition in society. By honoring the hard-working, sober-minded businessman and denigrating other classes of society including the poor, Calvinism unwittingly contributed to the development of Western civilization.⁶⁶

Due in large measure to Weber's thesis, Calvin's social thought has at least in secular circles been associated with a type of self-fulfilling, social Darwinism, conforming more closely to the ideas of Spencer than the gospel of Christ. This view, however, has been challenged by a number of Christian scholars who have argued that Calvin himself did not subscribe to the type of pious rationalizations associated with 16th and 17th century Calvinist economic and political hegemony. This view has been substantiated in recent years with the translation of Calvin's many sermons and correspondence by the Swiss economist Andre Bieler. Elements of Bieler's translation have been reproduced by the American religious scholar Fred Graham in his book *The Constructive Revolutionary, John Calvin & His Socio-Economic Impact*, and it is from this source that we gain a much different perspective of Calvin's social thought. Commenting on how Calvin's

thought departs from that popularized by Weber, Graham writes:

Max Weber is wrong in asserting that the Calvinist Puritan tended to find evidence of God's election in personal property.... But social Darwinism - the biological doctrine of survival of the fittest applied to economic advancement -though certainly non-Christian in any recognizable way, has had a great influence on the large Protestant American middle classes. Calvin would have none of that sort of peeping into the secret counsels of the Almighty!⁶⁷

Contrary to the view implied by Weber, Calvin, argues Graham, did not look upon wealth as a sure sign of God's blessings. In support of this contention, he cites one of Calvin's many sermons on the subject:

It is an error which by far too common among men to look upon those who are oppressed with afflictions as condemned and reprobate... Most men making judgment about the favor of God from an uncertain and transitory state of prosperity, applaud the rich, and those upon whom, as they say, fortune smiles; so, on the other hand, they insult contemptuously the wretched and miserable, and foolishly imagine that God hates them, because he does not exercise so much forbearance toward them as he does toward the reprobate. The error of which I speak ... is one which has prevailed in all ages of the world.⁶⁸

Wealth, in Calvin's thought, is a blessing from God, and, as is the case with any God's blessings, is not without responsibility. It is to be used judiciously, not in ostentatious displays of consumption or profligate living, but as an instrument for meeting the needs of the rich and poor alike. Calvin writes:

Let those, then that have riches, whether they have been left by inheritance, or procured by industry and efforts, consider that their abundance was not intended to be laid out in intemperance or excess, but in relieving necessities of the brethren.⁶⁹

Calvin's view of wealth reflects a more generalized view of human nature and social responsibility. Due to man's fallen state, most human endeavor is characterized by an indifference to the needs and well-being of others. Christ, however, commanded

humankind to 'love thy neighbor as thy self,' acknowledging and accounting for the interest of friend and foe alike in all worldly affairs. Calvin tied this view of social responsibility to an organic view of humanity. No man is an island to himself, but exists as part of a "body" consisting of all humankind. Calvin writes:

We must recognize that God has wanted to make us like members of a body. When we regard each other in this way, each will then conclude: 'I see my neighbor who has need of me and if I were in such extremity, I would wish to be helped; I must therefore do just that.' In short, this communication of which St. Paul speaks here is the fraternal affection which proceeds from the regard that we have when God has joined us together and united us in one body, because he wants each to employ himself for his neighbors, so that no one is addicted of his own person, but that we serve all in common.⁷⁰

Calvin's socioreligious philosophy is in direct contradistinction to the unintended beneficence advanced by Adam Smith and other writers of the Scottish enlightenment. Smith's philosophy can be traced in large measure to the works of Sir Isaac Newton and the advent of natural theology - a theological doctrine which holds that God's glory is manifestly witnessed in His creation and that theological truth is evident in nature. As the incarnation of perfection, it was reasoned that God created a perfect and harmonious universe, and that human society contains within it the essence of goodness and progress. Smith developed this principle in his two major works: *The Theory of Moral Sentiments* and *The Wealth of Nations*. In both cases, God's good is not impeded by man's fallen nature. Quite the contrary for the glory of God is demonstrated through the sometimes vain and always self-motivated behavior of man. "It is not from the benevolence of the butcher, brewer, or baker but from their self-love, their regard to their own advantage, that we expect our dinner."⁷¹

This element of Smithian thought is clearly foreign to the thought of John Calvin who wrote extensively on the fallen state of man and its consequence on the social and economic affairs of men. Consumed by self-love, fallen man is more often than not blind to

the concerns and well-being of his fellow man. The institutions and structures which he creates reflects this self-orientation, and there is no reason to believe that justice will be served apart from conscious, concerted, efforts to redress wrong. Calvin writes:

God has engraven in man's nature a law of equity ... so men seldom err in general principles, and therefore, with one mouth, confess that every man ought to receive what is his due; but as soon as they descend to their own affairs, perverse self-love blinds them, or at least envelopes them in such clouds that they are carried in an opposite direction... For whence arises so many legal broils except that every one is more liberal toward himself and more niggardly toward others than he ought to be? Therefore, for the purpose of cherishing concord, firm compacts are necessary which may prevent injustice on one side or the other.⁷²

Calvin's Geneva reflected this type of thinking. Numerous policies were implemented to prevent price gouging, regulate unfair business practices, limit rates of usury, and provide employment through public works. Free and compulsory education to the city's poor was also provided as was a hospital which provided both health care and shelter to those in need.⁷³ Commenting on the paternalistic role of government, Calvin writes:

It is rare that rich men resort to magistrates for help, except when they happen to fall out among themselves. From these remarks, it is obvious why the cause of the poor and needy is here chiefly commended to rulers; for those who are exposed as easy prey to the cruelty and wrongs of the rich have no less need of the assistance and protection of magistrates than the sick have of the aid of the physician.⁷⁴

Christian responsibility transcends a single-minded pietistic focus on God. Men are called 'to love thy neighbor as thyself,' and 'neighbor' in this context includes all of humanity. Fallen man is blinded to this most fundamental of truths, being consumed by self-love, corrupting the institutions and social relations God bestowed as part of His benediction and setting one man against another. Justice and social cohesion necessitates remedial efforts and these are to be carried out by the government and the church. While the church

in Geneva, as Graham points out, did not control the government, it worked in close cooperation with the government, imparting the moral guidance and social ethos that all societies require as part of their corporate responsibility to Christ.⁷⁵

The Dutch theologian Abraham Kuyper, who wrote during the latter part of the 19th century, shared Calvin's views on the holistic, God-centered view of economic and social life. It is simply inappropriate, argued Kuyper, to place business considerations above the needs and aspirations of man. *Laissez-faire*, he declared, represented what was worse about modern civilization, destroying long-standing social relations, placing the individual at the mercy of impersonal market forces, and crushing the human spirit under the weight of untold suffering.⁷⁶ As an alternative, Kuyper advanced an "organic" view of society, an economic and social system which gives full expression to the psychological, social, historical, cultural and religious considerations which shape human endeavor. This, he argued, should be accomplished through an ethos of Christian love and not as part of a Godless socialist system whereby "man sits on God's throne."⁷⁷

Human life, Kuyper went on to argue, is rich and diverse, and the institutional and social structures of society should reflect this diversity. As part of God's plan for creation, institutions contain within them the "creational ordinances" designed to accomplish His will here on earth. Because of man's sinful nature, however, institutions have fallen short of this high purpose and, similar to Christ's redemptive work in the life of the Christian, are to be redeemed from a fallen state.⁷⁸

Kuyper's thought was extended through the writings of Hermann Dooyeweerd. Dooyeweerd introduced the important concept of disclosure, a process by which God's divine plan here on earth is divinely unfolded according to God's providential will. Institutions or "spheres" of economic life are central in this regard, representing both the medium and the end through which this process occurs. Because of the fall, however, institutions have fallen short of this grand purpose, reflecting as they do man's fallen nature. God is faithful, however, disclosing over time the divine nature of His creation, and it is through

such "disclosure" that the institutions of His creation are brought to a state of redemption.⁷⁹

The institutional view of world redemption is further developed by Bob Goudzwaard. An understudy of Dooyeweerd, Goudzwaard identified the principal form of idolatry during the modern era as progress. An overemphasis on economic development, technology, and scientific achievement has distorted modern man and the society in which he lives, diminishing the role of the family, the community, human relationships, culture, and religion in human life. We "have allowed various forces, means and powers in our society to rule over us as gods," and it is this orientation which has caused modern man to forsake the blessings of the Creator for material well-being and ever higher levels of production.⁸⁰

The worship of progress argues Goudzwaard can only be overcome by a total transformation of society, a transformation which emphasizes frugality over production, needs rather than wants, justice rather than efficiency, stewardship rather than productivity, cooperation rather than competition, and social rather than economic objectives. All of this Goudzwaard concludes is to be accomplished through a spirit of Christian love and brotherhood.⁸¹

The foregoing writers represent only a part of the philosophical tradition associated with Tiemstra's thought. Yet, it was these writers more than others who have shaped the nature of his discussion, identifying a fallen world and its redemption as the appropriate focus of economic inquiry. True to this tradition, Tiemstra approaches the subject of economics from a monistic standpoint, writing that "all things belong to God - all worlds, all peoples, all the earth."⁸² As did Kuyper, he eschews both *laissez-faire* capitalism and socialism, arguing instead for the universal application of the Christian metaprinciple stewardship. Christian economists are to fulfill this mandate, and this through an investigative assessment of institutions and social structures which are invested with God-given

attributes and purposes. It is the responsibility of Christian economists to identify these purposes, an objective not unlike the "disclosure" principle advanced by Dooyeweerd.

The responsibility of Christian economists goes beyond mere identification, however, involving, as it does, the important concept of redemption. Similar to Kuyper and Goudzwaard, who invoke the concept of Christian love as the foundational basis for a redeemed society, Tiemstra invokes the metaprinciple stewardship. Premised on the Christian view of wealth, work, and justice, stewardship provides the normative principles by which to discern good from evil, and it is this understanding which should shape the economist's approach to the subject of economics, providing a criteria for determining whether or not institutions or economic structures conform to God's divine plan for this world.

Similar to Goudzwaard's critique of progress, Tiemstra argues that the current preoccupation with wealth and accumulation is contrary to this objective, promoting a distorted view of man, work, family relations, business, and all other considerations relating to social and economic life. The secular world view is reflected in neoclassical economics which in Tiemstra's words, "has taken the qualitative richness of creation and the meaning of human economic activity and, like a figure in a cartoon, flattened it against the wall of one or another foundational epistemology."⁸³ As an alternative Tiemstra looks to the view of social and economic development propounded by these writers, a view which emphasizes God's manifold blessings as the appropriate end of human pursuits.

Such similarities are more than coincidental, reflecting as they do a common world view and social vision. All of these writers, including Tiemstra, hold to Calvin's view on the inclusive nature of Christianity; all agree that social redemption is an instrumental element in God's will, believing that institutions are vested with a preordained Godly purpose and subject to social redemption; all look to a more balanced approach to human development, eschewing the materialistic emphasis associated with modern capitalism; and all

agree that the Christian has a fundamental obligation to accomplish God's redemptive purpose here on earth.

The philosophical lineage identified here goes beyond mere normative similarities, framing, as it does, the nature of the problem, the scope of solution, and the role of the Christian economist in God's divine plan. The monistic view of Christian civilization advanced by Calvin cannot be represented by a segmented view of the social sciences; nor can the concept of Godly-ordained institutional development advanced by Kuyper and Dooyeweerd be adequately assessed through an individualistic decision making process. The same can be said for the Christian perspective on social development advanced by Goudzwaard and the postmodernist "authentic faith commitment" suggested by Wolterstorff. In all such cases, a narrowly defined neoclassical or individualistic approach to economics would be clearly inadequate, imposing a methodological structure ill-suited to the theologically premised problem of institutional retardation and the process by which such institutions are redeemed. An institutional approach to economics, on the other hand, provides such a framework, and Tiemstra's decision to employ this particular methodological approach owes much to the ideas set forth by Calvin, Kuyper, Dooyeweerd, Goudzwaard, Wolterstorff, and others.

1.5 David Richardson

David Richardson, unlike the other writers so far considered, has not tied his thought in any explicit way to a clearly defined Christian tradition, instead relying on a more encompassing view of Christianity as a basis for his normative views. An inspection of his thought, however, reveals a well established philosophical tradition, one which ties the explicit normative objectives and recommendations of the Christian economist to the implicit methodological orientation of neoclassical economics. Similar to other economic paradigms, neoclassical economics is implicitly premised on a peculiar set of ontological foundations, methodologically specific routines and procedures, a well-defined view of the

scope and subject matter of the science, and a view of economic reality. These considerations lend a particular methodological bent to the variation of Christian economics advanced by Richardson, defining at least in part the philosophical tradition associated with his thought.

By arguing that Christian economics should be addressed through the neoclassical economic paradigm, Richardson is adopting a modernist view of academic inquiry, one which holds that scientific and theological knowledge involve essentially dissimilar modes of inquiry and that theology or Christianity is informative only insofar as normative considerations are concerned. Positive economics, according to this view, lies within the domain of secular thought, and any effort to breach this domain with explicitly Christian considerations only serves to undermine the influence of the Christian economist.⁸⁴

The Christian economist, according to Richardson, is in an ideal position to make the views and concerns of the Christian community known to a fallen world. To accomplish this, however, he must achieve a measure of respectability and influence among his nonChristian colleagues, and this requires that he does what professional economists do and does it well. The Christian economist should endeavor to make his work known in professional nonChristian journals and should engage discussion in the context of well-understood and well established methodological approaches. This implies among other things that he works within the confines of the neoclassical paradigm, which Richardson perceives as being flexible enough to entertain all points of view while conferring upon Christian economics a measure of respectability and acceptance not conferred by other less well established paradigms.⁸⁵

It is not only acceptability and commensurability of discourse, however, which makes neoclassical economics such an appealing choice to the Christian economist. Neoclassical economics, Richardson argues, represents the most developed and well-informed approach to the study of economics, and it only makes sense for the Christian economist to use this tool in the service of Christ. The science, he argues, is premised on the concept

of scarcity, a foundational premise which is supported by both scientific observation and the biblical account of the fall. Any effort to improve this world must start with this principle, acknowledging that the human condition is characterized by wants continually out-running an ability to satisfy such wants. Scarcity also implies choice, and the study of such choices explains in large measure the decisions made by humankind and the means by which people realize their economic objectives. This does not imply that all such objectives are virtuous or value neutral. They are not, and neoclassical economics science has little to say with regard to this latter consideration. It is here, however, that the Christian economist has much to offer, informing a fallen world of God's will for this world.⁸⁶

Neoclassical economics, however, is not without fault, and Richardson, more than any other orthodox economists considered in this study, acknowledges such shortcomings. Former renditions of the science, he declares, have fallen short in a number of key ways: "economic man" is assumed to act only out of self-interest; behaves in a uniformly rational and logical way, is averse to work, and is motivated by unlimited desires and wants. A concomitant emphasis on constrained optimization routines, a deductive mode of reasoning, a unified body of theory, and mathematical rigor reinforce this view, giving rise to an almost infallible God-like view of "economic man," a view antithetical to that prescribed by Christ.⁸⁷ Changes, however, are in the making, and these hold the potential of transforming the science into a powerful instrument for the service of Christ.

Likening neoclassical economics to old and new vintages of wine, Richardson argues that the self-regarding, individualistic, highly rational caricature of days past is understandably unsavory to the discriminating palate of the Christian economist. New vintages, however, are in the making, providing a much more palatable and pleasing mix of options. Altruistic objectives, decision making at the family level, bounded rationality, limited or asymmetric information, uncooperative and cooperative behavior, satisficing, etc. are but a few of the developments to grace professional journals in recent years. The Christian economist will also be pleased to hear that recent developments pertaining to

satiability, economic redemption, and stewardship have been added to the growing list of vintages. Much, however, needs to be done, and who better than the Christian economist to add to the growing bouquet of robust, bountiful flavors.⁸⁸

Finally, it is Richardson's contention that the foregoing considerations should be viewed in the context of the pluralistic society in which we live, acknowledging the pre-eminent position held by neoclassical economics both within and outside the profession. Whether or not the neoclassical paradigm is, in fact, as flexible as suggested above is in some sense irrelevant. The paradigm is for better or worse economic orthodoxy, and if the Christian economist has any hope of advancing a Christian agenda, he must do so through the medium of communication to which most other professional economists subscribe and the world will here. This medium is neoclassical economics, and to ignore this paradigm only serves to strengthen prevailing perspectives on unemployment, economic justice, work, the environment, the family, economic redemption, poverty, and other issues of great concern to Christ and his followers. The Christian economist has a responsibility to advance a Christian perspective with regard to these issues, and this, Richardson argues, can be best accomplished working within rather than apart from mainstream neoclassical economic science.⁸⁹

1.5.1 Neoclassical Economics as a Philosophical Tradition

Despite the Christian perspective Richardson would bring to the neoclassical paradigm, the paradigm itself does not appear to be neutral with regard to Christian economics. It should be evident that irrespective of why a particular Christian economist chooses one particular approach or paradigm over another, the selection once made brings with it a preexisting set of ideas, concepts, concerns, modes of inquiry, methodology, modes of discourse and application, etc. The methodology and the foundational premises upon which the paradigm reposes are often linked in such a way as to render the approach inoperative apart from such foundations, or conversely to render the foundational

principles vacuous apart from the way in which they are employed. Efforts to separate the foundational premises from the paradigm in which it is normally employed or to replace the existing foundations with a set of more acceptable alternatives often meets with frustration and failure, and it is not clear to what extent the paradigm can be reformulated to correspond to the views of the Christian economist. Short of this, however, the neoclassical paradigm will impart a methodological orientation to the Christian economist's economic thought, and it is in this sense that it is argued that neoclassical economics represents a part of the philosophical tradition associated with Richardson's Christian economic thought.

It should be noted that the argument set forth here is not unique to neoclassical economics. Implicit to any economic paradigm is a particular *Weltanschauung* which frames its assumptions, applications, and objectives. This lends a perspective to the subject which is reinforced through the operational techniques employed, insularity of views and opinions, a prevailing consensus of truth, and the authority and respect granted leading contributors in the field. Together these considerations infer a peculiar orientation with regard to scope and subject, modes of research, and the types of data to be used as well as its applications. This orientation would appear to be inescapable, being true not only of neoclassical economics, but to a greater or lesser extent of all modes of economic inquiry.

Neoclassical economics, however, warrants special consideration, however, for a number of reasons. First, and perhaps most importantly, the paradigm is purportedly premised on a scientific core of economic relationships, and this contention has important implications with regard to social ethos, human behavior, economic relationships, and economic justice. Second, the paradigm is premised on ontological foundations which are viewed, at least in the estimation of some Christian economists, as empirically dubious and immoral. Third, the methodological individualism employed by the science lends a decidedly individualistic perspective to economic decision making and human relations, implying an ethos of behavior at variance with the teachings of Christ. Fourth, neoclassical

economics is premised on a positivist view of economic reality, excluding physical considerations, unverifiable phenomena, and other knowledge which might be of interest to the Christian economist. Finally, the scope and subject matter of the science - namely, choice in the presence of scarcity - excludes a number of "noneconomic" issues which may be of interest to the Christian economist. All of these issues raise the question as to whether or not neoclassical economics is truly insulated from Christian economics, and it is to this question that we now turn.

1.5.2 Scientific Status of Economics

Perhaps the most important issue bearing upon the relationship between neoclassical economic science and Christian economics is the putative scientific status of the discipline. If neoclassical economics is truly scientific, the positive core of the science is autonomous and the relationship between neoclassical economics and Christian economics is strictly normative. Any incongruity between "what is" as established by the science and the social or economic vision set forth by the Christian economist would, in this case, be irrelevant, and he would be well-served to acknowledge this truth. If, on other hand, neoclassical economics is not truly a science, the laws of economic science would only have meaning in the context of a more inclusive belief system or *Weltanschauung*. The issue of autonomy, in this case, is far from settled and the religious beliefs, ideas, modes of economic organization, social ethos, etc. associated with a particular philosophical tradition or belief system are not so easily dismissed.⁹⁰

Even if one were to assume that neoclassical economics is truly scientific, it is not clear that this consideration in and of itself insulates the paradigm from Christian economics. A rendering of "what is" is, of course, not the same as "what is," and, as is the case with any rendition of reality, the paradigm will reflect the mode of the discourse, ideas, philosophical arguments, etc. popular at the time when the paradigm is first developed. Utilitarianism, logical positivism, natural law, and constrained optimization are only a few

of the ideas imported to economic science from other areas of inquiry, and even if the various economic relationships posited by neoclassical economics are fundamentally valid, the way in which such truth is presented will reflect the ideas, beliefs, and culture of the age in which they were formulated.⁹¹

All of this suggests that while neoclassical economics may indeed represent "what is," it is at best an imperfect and evolving rendition, imparting at least implicitly the ideas and evolving views of the time. The validity of this assertion is evident in the various renditions of "economic man," modeling techniques, and subject matter which have been advanced as part of the neoclassical paradigm over the past several decades, developments which Richardson points to as promising departures for a Christian approach to the science.

1.5.3 Ontological Foundations

Neoclassical economics is also premised on a certain view of economic man and this too may not be neutral with regard to Christian economics. There is no *a priori* reason why all behavioral constructs will be equally well-adapted to the routines, structure, and objectives of neoclassical economics. Some renditions of economic behavior will almost invariably be better suited to the mathematical rigor, theoretical coherence, and generalized results sought after by the profession. That this is so is evident in the writings of Friedman and others who argue that "economic man" should be viewed as more of an analytical device than a realistic depiction of human nature.⁹² The emphasis here is on seamless application and predictive and explanatory power. "Economic man," it could be argued, was created with this purpose in mind, and it would be highly unlikely that an alternative construct, such as the man which more closely resembles that of God's creation, could be applied in the same way with similar results.

Anything less than a Christianized construct of economic man, however, would appear to have implications for Christian economics. Viewed as rational, well-informed, and

deliberate, "economic man" is seldom seen as the mistake prone, impulsive, irrational, weak willed sinner depicted in the Bible. If people engage in destructive behavior, fail to plan for the future, accept a job with little long-term potential, place themselves or their family at financial risk, it is because they choose to, valuing the benefits associated with such actions over the costs. The individual is implicitly assumed to act in a psychological, social, and cultural vacuum, and the condition he finds himself in is largely a consequence of his own making. All of this has implications with regard to personal and social responsibility, issues closely linked to the putatively separate issue of normative objectives.

1.5.4 Methodological Individualism

Neoclassical economics also appears to be methodologically tailored to an individualistic decision making process, and this also has implications for Christian economics. The orientation in this case appears to have less to do with social philosophy or normative objectives than with the methodological problems associated with modeling nonpecuniary, multidimensional objectives. While altruism, imperfect information, bounded rationality, satisficing, and a number of other alternative approaches have been advanced in recent years, modeling two or more of these modes of behavior simultaneously would be daunting to say the least. Yet, short of this objective, it is not clear to what extent the Christian economist can model the types of behavior and responses one would normally associate with a Christ-like depiction of man. What is left is an individualistic view of economic decision making, a limitation which imparts a particular perspective to the normative objectives and policy recommendations advanced by the Christian economist.⁹³

1.5.5 Logical Positivism

Neoclassical economics is also premised on a logical positivist philosophy of science, and this effectively limits the type of information and knowledge available to the Christian economist. Logical positivism as advanced by a group of 19th century Austrian

philosophers, holds that unverifiable knowledge should be systematically excluded from accepted scientific knowledge. Religious knowledge, according to this view, is viewed as unverifiable and, hence, outside the purview of academic inquiry. Beyond this religion is thought of as a system of social and personal beliefs, inherently subjective, having no bearing on physical reality, and having little to do with human affairs other than the role it plays with regard to human behavior. Divine providence plays no recognizable role in science, and Christianity enters into the discussion only insofar as it introduces psychologically or sociologically relevant information.⁹⁴

Neoclassical economics reflects this philosophical orientation, and irrespective of whether or not the correspondence is coincidental or intentional, it is, nevertheless, evident that the positive core of economic science makes no allowance for divine providence, common grace, and other considerations which some economists view as instrumental to the study of economics. While Richardson's position with regard to such issues is not clear, the economic paradigm he looks to as a medium for his Christian economics disallows the very possibility of divine intervention in economic affairs, and this has obvious implications with regard to his Christian economics.

1.5.6 Purview of Economic Science

Finally, the purview of neoclassical economics is much narrower than that associated with heterodox approaches to the subject, and this implies a much different perspective with regard to economic policy and objectives. Neoclassical economists have traditionally looked upon economic choice in the presence of scarcity as the proper study of economics, a mode of inquiry which effectively exclude religious, historical, sociological, and psychological considerations from the scope of discussion. Economic decisions are assumed to be made on the basis of constrained optimization with consumers, firms, labor unions, and other economic entities selecting among available outcomes on the basis of relative prices or other considerations bearing upon a given set of objectives. The nature

of such objectives play an obvious role in this process, but are viewed as subjective and outside the purview of the science. What is left are the economic parameters which determine choice, given the objectives of the economic decision maker, and it to these considerations and these considerations alone that the economist looks to as instruments of economic policy.

Subjective preferences, however, have important implications with regard to the moral and social well-being of the individual, family, community, nation, and world economy, and at least some Christian economists believe that the formation and nature of such preferences is the crucial consideration facing humankind.⁹⁵ In recognition of this belief, they have adopted a broader view of economic science looking to social, cultural, historical, and religious considerations as the proper purview of economic science. Economic and social redemption, according to this latter view, requires a concerted effort towards understanding such considerations, relating them to economic and social behavior, and modifying such considerations so as to effect a fundamental transformation in the belief systems and economic behavior of society. Relative prices, income distribution and other such considerations, do, of course, play an important part in this transformation, but only a part. Economic restoration involves a myriad of considerations, and to be effective economic science must consider all such considerations not simply those relating to a realization of a given set of wants.

The distinction between the two approaches is fundamental, transcending the mere identification and advocacy of the normative objectives made available by the neoclassical paradigm. A change in relative prices may induce moral or economically responsible behavior, but it will do so without fundamentally altering the social ethos which underlie personal motives. Heterodox paradigms, on the other hand, do not lend themselves to the type of price induced behavioral changes commonly associated with neoclassical economics. The objectives and purported capabilities of each mode of economic inquiry are quite different, and unless one is willing to assume that the socioeconomic system is impervious

to change as do some of the orthodox economists considered in this study, it would be erroneous to assume that neoclassical economics affords the same policy options as that afforded by heterodox approaches to Christian economics.⁹⁶

1.5.7 Conclusion

Ontological foundations, methodological individualism, logical positivism, the emphasis placed on personal over social responsibility, and the purview and scope of economic science are representative of the subtle yet important methodological orientation associated with neoclassical economics. By linking his Christian economic thought to this paradigm, Richardson has adopted this orientation, and while he has recommended changes designed to make the paradigm more amenable to a Christian perspective of life, the paradigm, nevertheless, imparts a philosophical orientation to his thought, and it is in this sense that neoclassical economics can be viewed as an integral part of the philosophical tradition associated with his Christian economic thought.

1.6 Paul Heyne

1.6.1 A Pluralistic Perspective of Church and State

Identifying the philosophical tradition Paul Heyne brings to his views on Christian economics represents perhaps the most difficult case to be considered. Not only does Heyne deny that Christianity plays a role in positive economics, he argues that explicit Christian references should be omitted from normative discourse as well. Economics, he declares, largely involves the study of economic exchange, and since this implies an impersonal relationship between buyer and seller, economics is for the most part devoid of the Christian ethos of goodwill and brotherly love touted by various Christian writers. Christian critiques of economy, he further argues, have failed to grasp this fundamental truth and have erred by introducing the Christian concepts of justice, altruism, and personal sacrifice where they do not apply. The idea of a Christian approach to economics also fails

to grasp the beneficent nature of the self-regulating market mechanism, the necessity of impersonal business decisions, and the sheer complexity of a modern economy. Evidence bears this out and after everything is said and done, good Christian intent results more often than not in bad economic policy.

The argument Heyne is making is not new. Adam Smith was the first to criticize the idea of market intervention, an idea which loomed large in the thought of all the reformation writers and the Roman Catholic Church. Subsequent developments further undermined the various arguments advanced in favor of so-called mercantilist policies, and by the late 19th century the interventionist views long advanced by various Christian churches were dismissed by most orthodox economists as passé. Neither the church nor government, it was argued, has the ability or the appropriate body of knowledge to manage a modern economy, and issues pertaining to employment, prices, wages, interest rates, etc. are best left to the impersonal workings of the market economy. Apart from a national crisis, the best policy is to promote competition and commerce, with due consideration given to public goods and externalities.

Heyne finds himself largely in agreement with the foregoing view of the economy. But he would take the argument one step further, positing a pluralistic view of church and society as an equally valid reason why religiously mandated economic management is inappropriate. Western civilization, he argues, is no longer controlled or even significantly influenced by the church and for good reason. The very concept of Christendom is a heresy, born out of an over zealous belief that Christianity is to be promulgated through political power and coercion. The establishment of a Christian state did not occur until the reign of Constantine in the 4th century, and until then it was an idea foreign to the beliefs and doctrines of the early church. While many Christians still subscribe to the antiquated and thoroughly discredited view of church dominance over social and economic affairs, it does not and has never been a doctrinally correct view of Christianity.⁹⁷

Having debunked the view that the church should reign supreme on matters of state and society, Heyne turns to a second and much more common justification used by various Christians in defense of economic intervention, the issue of economic justice. Scripture, he declares, has much to say about economic issues, extolling the virtues of charity and condemning those who exploit others or who turn a blind eye towards the needs of the poor. Such references should not be interpreted, however, as a blueprint for rewriting the economic laws of society. The emphasis of the New Testament is on personal salvation and living the Christian life, and while this necessarily implies Christ-like behavior in one's economic dealings with others, it does not imply ameliorative economic intervention on the part of government or the church. Economic justice is an issue Christians should concern themselves with, but they should be careful not to impose what are essentially voluntary virtues on a recalcitrant population.⁹⁸

Christian virtues should be manifested through personal contributions, personal service, and voluntary organizations, and not as some would have it through the complex channels of our daily economic endeavors. Even in the absence of forced, involuntary behavior, the Christian's ability to abide by Christian principles in a modern commercial setting is quite limited. A farmer does not produce food out of a concern for his fellow human being, but out of a desire to provide for his family and to be a productive citizen. The production, sell, and delivery of food necessarily involves nonChristian considerations, and to introduce explicitly Christian virtues into such a complicated process would in all likelihood do more harm than good. The much criticized self-serving approach to economic decisions, Heyne concludes, is born out of economic necessity and not out of selfishness or nonChristian motives.⁹⁹

Unlike Richardson, Heyne sees no reason to advance a normative Christian agenda. The personal emphasis he accords to Scripture simply requires that individual Christians act in a Christ-like manner in their dealings with other individuals. The New Testament speaks to the individual, not to society, and if some Christians interpret this as

a call to social service, they should heed this call. This does not imply that everyone is called to social service, nor does it mean that society or the church has a right to impose a Christian view of society on others. We are all personally responsible to God, and it is to Him and Him alone we must answer.¹⁰⁰

Heyne is opposed to the advancement of explicitly normative Christian arguments on practical grounds as well. While acknowledging that implicit Christian beliefs will and should have a bearing on normative economic views, it is his belief that explicit Christian references should be avoided lest they turn Christianity into something of a staging ground from which to advance self-serving, nonreligious, polemical agendas. Economic discussion is likewise polluted by Christian normative intrusions, with the rigorous methodological approaches which have traditionally afforded solutions to humanity's problems being obfuscated by extraneous and largely irrelevant religious discussion. The only solution to this otherwise counterproductive state of affairs is to dispense with explicit Christian arguments altogether, relying instead on nonreligious analytic economic arguments, informed as they are by *implicit* Christian beliefs.¹⁰¹

Heyne's normative beliefs are predicated, according to his own reckoning, on his perception of economic reality. At one point in his discussion, he argues that the analytical economics advanced by the Austrian economist Hayek is much more compelling than the modes of behavior advanced by the Christian social theorist Ronald Sider. While he finds himself sympathetic to Sider's normative objectives, the measures set forth leave much to be desired, producing, in Heyne's estimation, results which run counter to that intended. Hayek's thought, on the other hand, is clearly superior despite the fact it is premised on a thoroughly secular view of reality, a view Heyne is admittedly uncomfortable with. It is Hayek's perspective on economic reality rather than his explicit or implicit normative beliefs which gives his thought such great credibility, and it is this perspective or something quite similar which has prompted Heyne to eschew the Christian ethos of love for the

analytical rigor of economic science as a basis for his views on Christianity and economics.¹⁰²

What then is Heyne's view on economic reality? In a paper on economic justice, he argues that rules serve a highly functional if poorly understood role in society. In another writing, he extols the virtue of the market economy, arguing that much good has come from impersonal economic relations, and that irrespective of one's religious beliefs, capitalistic social relations are here to stay. In a pamphlet critiquing the Catholic Bishop's *Letter*, he argues against the use of government as a means to overcome economic injustice, and in the same pamphlet he posits personal choice as the consideration most responsible for poverty and unemployment. In an article in *Stewardship Journal*, he notes that the original Greek word for stewardship implies household management and not as some have interpreted it as economic management. He challenges the commonly held view that wide-scale individual stewardship will have a lasting beneficial effect on society, and argues that economic management involves a level of knowledge and understanding exceeding that of the most sophisticated government planning department. In all such cases, Heyne appears to be challenging the institutional perspective of society advanced by Tiemstra, Ely, Clark and others, advancing instead an individualistic, market oriented view of economic reality.

Heyne's perspective on economic reality says much about the philosophical tradition he brings to his critique of Christian economics. One characteristic of this tradition is the belief that economics primarily concerns itself with individual choice. While he does not explicitly tie his argument to a particular methodological approach, the economic ideas he relies upon are not unlike those posited by various neoclassical and Austrian economists. Economic choice is the key consideration here, engendering the best possible outcome given the information and resources available to the decision maker. The individual, so it is argued, is the best judge of his economic wants, and given the opportunity to exercise his judgment in a market environment, the choices he makes will almost invariably be preferable to the choices others might make on his behalf. This does

not mean that the individual will not make mistakes nor that the decisions he makes will be in his own long-term interest, only that efforts by others to control such decisions will do more harm than good. Individuals should therefore be granted as much control over their economic lives as possible, and if the choices they make do not conform to those deemed desirable by society, incentives can be introduced to induce the appropriate behavior. This approach, Heyne would argue, is far superior to the heavy-handed bureaucratic method which characterizes most current social welfare programs.¹⁰³

The emphasis Heyne places on economic choice reveals much about his views on social and economic relations, government, poverty, unemployment, economic management, and stewardship. Economic management, he argues, is an idea that has never worked. Efforts to manage the economy exceed the capability of even the most dogged planners in the former socialist states of eastern Europe, and it is ironic that measures which failed in economies designed for planning should be advanced for economies which are not.¹⁰⁴

The question then arises as to why Christian churches and social theorists look to bureaucratic management when most such efforts have proven to be disastrous? The answer Heyne believes has more to do with power than economics. The power of government, he declares, is immense and what better way to advance a social agenda than through the power of the state. Whether or not socially mandated approaches to poverty, unemployment, health care, etc. are effective is in some sense irrelevant. What matters is the ability to play a decisive role in society, and this is best accomplished through the exercise of governmental power. Christian approaches to the economy have less to do with the issues at hand than a desire on the part of once powerful church bodies to regain a measure of influence over American society.¹⁰⁵

Heyne's criticism, however, is premised on the belief that the economic ends justify the economic means. Economic choice, he argues, clearly affords the best long-term solutions to society's problems. If the economic welfare of the poor is, as suggested by the

Roman Catholic Church and other Christian denominations, the primary concern, then it should matter little whether this objective is realized through Christian or non-Christian means. While so-called Christian policies may enhance the stature of the church in the community or may even be more Christ like in their stated objectives, they often have the perverse effect of reducing the work ethic, promoting self-destructive modes of behavior, and impoverishing rather than improving the overall lot of the poor. Would it not be better to simply forego such measures, settling instead for policies which while not explicitly Christian, nevertheless, accomplish the task at hand? Heyne appears to be answering yes, arguing that what matters most is the outcome and not the noble or ignoble motives of those most involved.¹⁰⁶

In any event, all such arguments are *ex post facto*, ignoring as they do that capitalism and the institutions upon which it rests are here to stay. Christian critics of capitalism, Heyne argues, would have us return to a time when social and economic relations were personal and caring, when the church protected the interest of the poor against the actions of the rich and powerful - to a time when people and not profits and productivity were the primary concern of society. Such a society, however, never truly existed, and even if it had, the current system is so entrenched that such a transformation would require nothing less than a revolution in social and economic organization. Apart from whether or not such a change would be for the better or for the worse - Heyne believes that it would definitely be for the worse, the issue is mute and those who present such views are simply engaging in utopian speculation.¹⁰⁷

The arguments Heyne is making here are more practical than foundational, responding to the problems associated with a Christian view of society, rather than the philosophical basis upon which such a view is premised. If an alternative system of social and economic relations truly reflects God's will for a fallen world, then it would seem reasonable that Christians should endeavor to advance this vision even if it appears to be unfeasible or out of step with reality. Heyne would concur with this assessment, but he

would also argue that the theological presupposition upon which it rest is fallacious. For such a position to be valid there would have to exist a clear Christian mandate and plan as to how social and economic relations are to be ordered. There is in fact no such mandate, nor is such a plan demonstrably possible.¹⁰⁸ Economic management has been tried in various guises throughout history and none have been shown to bestow the blessings upon humanity that capitalism has.

It is not clear, however, whether or not such blessings conform to a Christian view of what is good and desirable. Heyne appears to have anticipated this argument as well. While it is not possible to categorically say that a higher standard of living, longer life span, more leisure and other blessings are superior to say fraternal relationships, social cooperation, economic justice, etc., it seems clear that most Americans and most people in the world prefer the former over the latter. Society, as it now exists, desires neither the economic changes nor the objectives associated with a Christian world view, and short of a fundamental change in societal attitudes, it is not clear what proponents of such a view hope to accomplish. The establishment of a Christian state or the idea of Christendom, Heyne argues, is clearly not the answer, representing the antiquated and heretical idea that Christianity is to be promoted through force and coercion.¹⁰⁹

The issue thus appears to come down to that of a pluralistic versus a monistic view of religious, social, and economic life. Heyne implicitly senses this foundational distinction, and has relied upon a pluralistic argument as a basis for his critique of various Christian views on the economy. By arguing against a monistic view of Christianity and social and economic life, he has systematically undermined the foundational arguments upon which an integrative approach to Christianity and economics is premised. If, as he suggests, Christianity is predicated on a personal rather than social responsibility towards a fallen world, then there exist no basis for a Christian economy, a Christian government, or the application of Christian principles to social and institutional structures. What is left is a

highly individualistic view of Christianity and economics. But even here the epistemological distinction separating the two renders explicit Christian arguments counterproductive, and it is on this basis that he argues that the relationship between Christianity and economics should be limited to the implicit influence the former has on normative economic values.

1.6.2. Lutheran Social Thought

As an economist who identifies his denominational affiliation as Lutheran, it is worth considering the essential elements of the two-kingdom perspective advanced by Martin Luther. While Luther never used the term "two-kingdom" to identify the respective roles of faith and culture in society,¹¹⁰ his thought clearly supports the idea that spiritual and temporal authority occupy separate and distinct domains, and that the authority granted to each is quite limited outside of its respective realm.

Luther identified two types of human righteousness: spiritual righteousness which originates from faith, and civil righteousness which is manifested through the laws of society. Spiritual righteousness is grounded in the Gospel, human righteousness in civil law, and while a form of righteousness clearly pertains to both, the nature of each is so utterly different as to warrant a sharp separation between the two. Commenting on the Lutheran two-kingdom perspective, the Commission on Theology and Church Relations of the Lutheran Church - Missouri Synod writes:

For Luther, the normative principles of the church are faith and love, while the normative principles of the civil order are reason and justice. With regard to spiritual righteousness, Luther had a well-known contempt for human reason. When it came to civil righteousness, "Luther was quite confident that human rationality could and often would find a good set of positive laws and upright customs to serve a society - no matter how many or few Christians lived in it." Luther was confident that natural law would provide human reason all that it required for social justice. Social justice, therefore, must be grounded in the Law and human reason rather than in the Gospel and faith.¹¹¹

Although social justice, in Lutheran thought, resides within the province of the state, temporal authorities have no comparable rights over issues pertaining to the Gospel. The blessings of God are freely bestowed upon those who believe in Christ and denied to those who do not. The Gospel is sufficient evidence of this truth, and no law, edict, or show of force will serve as a substitute for Scriptural revelation. Coercion is never an effective means by which to persuade nonbelievers or to enforce Christian doctrine, and problems pertaining to heresy or internal dissent are best left to the church. Luther writes:

We want to make this so clear that everyone will grasp it, and that our fine gentlemen, the princes and bishops, will see what fools they are when they seek to coerce the people with their laws and commandments into believing this or that...

Again you say, "The temporal authorities is not forcing men to believe; it is simply seeing to it externally that no one deceives the people by false doctrine; how could heretics otherwise be restrained?" Answer: This the bishops should do; it is a function entrusted to them and not to the princes. Heresy can never be restrained by force. One will have to tackle the problem in some other way, for heresy must be opposed and dealt with otherwise than with the sword. Here God's word must do the fighting. If it does not succeed, certainly the temporal power will not succeed either, even if it were to drench the world in blood. Heresy is a spiritual matter which you cannot hack to pieces with iron.¹¹²

The Gospel, Luther argued, starts with the presupposition of faith, and apart from faith, the laws and principles set forth in Scripture have little application. It is this premise which led him to deny that biblical laws should serve as a basis for social justice. During the Peasants revolt of 1525, Luther argued forcefully that while grievances raised by the peasants are "so fair and just as to ruin" the reputation and authority of the princes and lords, such grievances had no basis in Scripture. "To teach and live according to the gospel," as the peasants argued, "is not true." "Not one of [your] articles teaches anything of the gospel. Rather everything is aimed at obtaining freedom for your person and for your property. To sum it up, everything is concerned with worldly and temporal matters."¹¹³

The sharp distinction between the respective realms of church and state identified by Luther is to be contrasted with the neoCalvinist perspective advanced by Tiemstra and others. According to the reformed view, all of life is to be obediently submitted to the Lordship of Jesus Christ, and this includes the political, social, and economic institutions associated with temporal life. An equivalent emphasis is placed on faith and obedience, and Christians are granted both the right and obligation to assure that Godly obedience is observed in civil affairs. Luther, on the other hand, believed that an emphasis on civil obedience dangerously confuses the role of Law and Gospel in God's dominion. He writes:

As long as the Law stands "on the same footing" with the Gospel, repentance with absolution, sanctification with justification, obedience with faith, it is no longer the doctrine of Justification which alone shows the way to the unspeakable treasure and right knowledge of Christ, and alone opens the door to the entire Bible.¹¹⁴

Church and state are thus granted an exclusive province over the area of life for which they are best suited and divinely purposed. Luther had no allusions, however, concerning the sinful nature of man, and he thought it unlikely that temporal authorities would resist the temptation to meddle in church affairs or co-opt the church for its own purposes. Church leaders, for this reason, should be cognizant of the dangers associated with political alliances which may threaten the religious independence and liberty deemed essential for the free exercise of faith. It is perhaps this consideration which prompted C.F.W. Walther to claim that Luther's two-kingdom perspective reaches its fullest expression in America's climate of religious freedom.¹¹⁵

Despite the strict demarcation Luther sought to establish between temporal and ecclesiastical authority, he, nevertheless, believed that Christians have a redeeming effect on society. The mature Christian will bring the wisdom and knowledge imparted through grace and sanctification to worldly affairs, and this will be reflected in all areas of human

life, including the socioeconomic realm. Commenting on the edifying nature of grace in Luther's thought, Robert Kolb writes:

Faith find its sphere of activities in the horizontal relationships which the Creator established as His own means of being present though the love of His people. Faith serves God by giving spouse and children tender care, the kind of care God himself wants to give them. Faith serves God by performing well those economic task which feed, clothe, and comfort others; faith's service in the economic sphere extends support and help given to fellow workers and to all with whom we have contact on the job, in school, as we conduct our business and offer our labor. Faith serves God by meeting the needs of neighbors and fellow citizens in activities ranging from painting the neighbor's fence or mopping up his vomit as he lies dying, to participation in the activities of community organizations and political parties.¹¹⁶

For the Christian, God's authority is thus manifested in both kingdoms: in the spiritual realm, through the free exercise of faith apart from works as revealed in Scripture, and in the temporal realm through civil law and a faith activated Christian love which seeks social justice. Christians should not mistake the latter, however, as a basis for a fundamental transformation in the socioeconomic system. Christianity, in Luther's view, transverses a variety of cultural, social, and economic particularities, and whatever system the Christian finds himself there are ample opportunities for good works. Christian works, however, will seldom transform political or economic systems, nor are they designed to do so. Good works, in Lutheran thought, "cannot create a Christian politics or Christian economics." Such works "are to be done freely by Christians in their daily lives and are not under the control of the church. We are dealing here with the privilege and duty of the individual Christian's vocation." ¹¹⁷

Luther's two two-kingdom perspective thus stands on two pillars: first, "the Gospel does not legislate for the civil estate but is the forgiveness of sins and the beginning of eternal life in the hearts of believers; and second, "Good works should be done because God has commanded them and in order to exercise our faith, to give

testimony, and to render thanks." Christians in Lutheran social thought are not called to transform society, but rather to "leaven the whole social loaf in which they find themselves by practicing a faith active in love."¹¹⁸

1.6.3 A Hayekian Perspective of Economics

Finally, it is worth noting that Heyne's thought shares a number of the arguments advanced by the Austrian economist Friedrich von Hayek. In his *Road to Serfdom*, Hayek argues that even modest intrusion on the part of government in economic affairs is necessarily coercive and will inevitably lead to totalitarianism if consistently pursued.¹¹⁹ Heyne advances a similar argument in his critique of Christian social reformers who look upon government as a largely coercive means to foster an essentially normative economic agenda. Social welfare policies, he further argues, are designed and implemented more with the interest of government and politicians in mind than the interest of the poor.

In his *The Counter Revolution of Science* and *The Fatal Conceit*, Hayek argues that economic systems are predicated on a complex web of individual decisions, and that any effort to manage such a system must necessarily fail due to an inability to direct the numerous and largely unpredictable decisions associated with human behavior.¹²⁰ Heyne makes much the same argument in his critique of Christian stewardship, which, in his estimation, fails to account for the counterproductive incentives engendered by such behavior. Economic management, he argues elsewhere, is an oxymoron: no one is capable of managing the economy and efforts to do so result in more harm than good.

In his *The Mirage of Social Justice*, Hayek abandons the notion of social justice, a concept which he views as being devoid of operational meaning, arguing instead that justice only has meaning in the context of the individual who is the best judge of his or her economic and social objectives.¹²¹ In his *Studies in Philosophy, Politics, and Economics* and *Rules and Order*, Hayek argues that long-standing social and economic behavior are selectively codified as rules on the basis of whether or not they improve the workings of

society.¹²² Both arguments corresponds to the decidedly conservative position Heyne adopts towards the question of social justice, where he argues that justice involves little more than the establishment and observance of economic rules of conduct. It is noteworthy that Heyne's views on the role of choice as a determinant of long-term welfare dependency and unemployment correspond to the methodological individualism emphasized in Hayek's thought.

Finally, Heyne's views on the importance of political and economic freedom and how this is threatened by the efforts to impose explicitly Christian rules of conduct on an unwilling population reflects the libertarian stream of thought which infuses all of Hayek's writings. In his *The Constitution and Liberty* and *The Political Order of a Free People*, Hayek sets forth the legal and constitutional framework deemed essential for the establishment and maintenance of a free society.¹²³ Heyne shares this concern and looks upon the intrusion of government and religion as forces which undermine the political process and the freedom that it guarantees.

1.6.4. Conclusion

Since Heyne does not explicitly identify the theological and philosophical origins of his arguments, one can only *infer* the philosophical tradition associated with his thought. It is, nevertheless, evident from the foregoing discussion that various elements of his thought correspond with more general social, economic, and religious philosophies. The invocation of a personal, faith inspired view of Christianity closely corresponds to the two-kingdom perspective set forth by Martin Luther. His argument that Scripture does not provide a mandate for social justice, and that the power of the state represents a threat to true Christianity also finds much commonality in Lutheran thought. His opposition to efforts to Christianize society or transform prevailing socioeconomic relations mirror Luther's view on the role of reason and rationality in the establishment of civil law. Finally, his argument that implicit beliefs should and will inform the Christian's judgment and

behavior in temporal affairs closely conforms to Luther's position on the edifying nature of grace in society.

Heyne's views on the essential nature of a pluralistic society is premised on nonreligious origins as well. His arguments concerning the role of self-interest, and social and economic welfare closely mirror the Smithian notion of the "invisible hand," and his views on consumer sovereignty, limited government and the inherent problems associated with welfare policy, efforts to redress unemployment, inequality, etc. correspond to the Smithian and Hayekian idea that the government which governs best governs least. His position on the nature and necessity of individual choice in the market economy, economic freedom, justice, government coercion, and the inherent problems associated with economic management are quite similar to arguments advanced by Hayek.

1.7 Arnold McKee

As a member of the Roman Catholic Church, McKee looks to the age-old tradition of Catholic social thought as a foundation for his Christian economics. While Catholic social thought involves a complex web of ideas, concepts, social philosophies spanning many centuries, at least three key elements of this tradition are evident in McKee's thought: the idea of world redemption as first suggested by Augustine, the just law tradition advanced by various scholastic writers, and the organic view of socioeconomic relations set forth in various papal encyclicals. A brief discussion of each of these three areas of Catholic social thought is provided in turn.

1.7.1 Augustinian Social Thought

Among the earliest Catholic writers to contribute to an understanding of the relationship between Christianity and society was the great patristic era theologian Augustine. Writing in the 4th century AD, Augustine thought it necessary to argue in favor of private property, but emphasized that such arrangements are premised on temporal rather than

theological considerations, being a creation of the state and not as some had supposed a divine right. "For by divine right," Augustine writes, "the earth is the Lord's and the fullness thereof," and this, of course, rules out the very idea of a divine mandate.¹²⁴ Augustine also made a distinction between the beneficial consequences of trade and the iniquity of the trader. While the practices of the trader are often sinful, this does not imply that trade as a vocation or as mode of economic endeavor is morally wrong. Quite the contrary, for the social benefits of trade were clearly evident even in the Fourth century.¹²⁵

It was Augustine's *City of God*, however, which has stimulated the most interest among Catholic and nonCatholic scholars, providing as it does a theological rationale for the state and a Christian perspective on society. Responding to allegations that Christianity was responsible for the sack of Rome in 410 AD, Augustine argued that the disaster was not a consequence of Christianity, but reflected the corrupting and debilitating influences of pagan civilization. Commenting on the *City of God*, McKee writes:

Augustine ranged over a vast canvas and a thousand pages of modern text before ending, perhaps from sheer exhaustion. His first ten books are a polemic on the worthlessness of the pagan gods and beliefs, so that the fall of Rome could not be attributed to Christianity; and the following twelve books develop the contrast between the cities of God and earth. There is a theory of history implicit that is scarcely prominent today but recurs in Christian thought. Augustine centers it on God's plan for the redemption and salvation of mankind, prefigured in the Old Testament and accomplished in the New, and on the continual struggle of the two cities before the final triumph of Christ...¹²⁶

The importance of this great work, McKee goes to write, "lies in Augustine's attempt to reconstruct a vision of a Christian alternative to the Roman world and order that was crumbling around him, just as our own appears to be disintegrating." The essence of this argument is that the world is good, but in need of redemption, and it is the responsibility of Christians to redeem the world, relying as did Augustine on the "the optic of

Christ, using Scripture, faith, and grace" to inform his knowledge and efforts. God's creation, McKee declares, is good, and "all shades of Christians are prominent in scientific, technological, industrial, and artistic achievements and are no less distinguished than others for their materialism."¹²⁷

1.7.2 Scholastic Economic Thought

The second major area of Catholic social thought evident in McKee's Christian economics is the just law tradition originating with the work of the scholastics, during the 13th and 14th centuries. Owing much to the rediscovery of Roman law and Greek philosophy, "the first great flowering of scholastic economics lasted for no more than a century, from the translation of Aristotle's *Ethics* shortly before 1250 to the first outbreak of the Black Death before 1350."¹²⁸ Elements of scholastic economic thought would reappear during the 15th and 16th centuries, and pockets would survive well into the 17th century. The Renaissance, the Reformation, the invention of printing, and the great discoveries, however, would eventually take their toll, undermining and eventually spelling the end of the laws and regulations which made scholastic economic thought an imposing force throughout much of medieval Europe.

Among the various economic ideas advanced by the scholastics, the concept of economic justice is the most notable, and it is this concept which is most evident in McKee's thought. In an effort to reconcile biblical teachings pertaining to worldly cares, divine provision, and a ethos of love, on the one hand, and the necessities of business and trade, on the other, scholastic writers set forth a set of principles to guide economic behavior. "Realizing the futility of merely preaching charity, yet disinclined to rely on the social benefits of 'loosening the bridle of cupidity,' as one scholastic put it, the aim," Langholm declares, "was rather to ensure some benefits to individuals and community by imposing norms of *justice* on economic relationships."¹²⁹

Extending the concept of exchange justice advanced by Aristotle and codified in Roman law, the scholastics argued that economic justice involves not only an honoring of agreed upon terms of exchange, but a recognition that some contracts or terms of exchange are unjust. A just price thus came to mean something other than the market determined or agreed upon price. This does not suggest that scholastics developed an all encompassing method by which to identify what such prices should be. Several methods or criteria were advanced, but they applied to only a select number of goods and, more importantly, allowed for what the scholastic writer John Duns Scotus referred to as "great latitude" in implementation. "The scholastics on the whole," writes Langholm, "favored government price regulations, and some medieval prices were in point of fact fixed by guilds and other corporations. But the majority of exchangers must needs be left to their own devices, and the most that could be hoped for was that they would take some heed of just norms of their own volition."¹³⁰

The concept of just price can best be understood in the context of whether or not exchange is forthright and voluntary. Economic justice in this context rules out misrepresentation of the product or contract either through the deliberate withholding of information or when it is known that the other party is not knowledgeable enough or is incapable of making the right decision. Economic justice also rules out manipulative or circumstantial coercion. The former might occur as a result of a conscious effort to coerce unjust concessions, the latter from unusual circumstances which give undue advantage to either the buyer or seller. In either case, mutual consent is not enough to guarantee that justice is served. The scholastic Peter Olivi writes that "a contract is invalid if it issues from such feebleness of mind or from such duress as to rob it of legal force, or if consent is given owing to such poverty or other necessity that it cannot be said to express free will."¹³¹ Later scholastics would adopt a more limited view, finding evidence of wrong only under certain types of market conditions or in the exchange of certain types of products.

While several scholastics endeavored to link the concept of just price to a labor theory of value or demand for the product, for most scholastics just price simply represented the normal long run competitive price. If price should rise above this level *and* the seller realizes an above normal profit, then the price is held to be unjust. In this case, willingness to pay more than the just price is evidence of coercion and deserving of censure. If, on the other hand, the price should rise above the long run competitive price due to a short-term increase in costs, then the price would be viewed as just. In this latter case, the seller has the right to sell the product at a price which covers his cost. It was Aquinas who first stated this "double rule" to just pricing, an idea "subsequently taught by a number of scholastics, including Peter Olivi and Duns Scotus."¹³²

The Thomist "double rule" also provided the foundational basis for scholastic views pertaining to usury, or the prohibition of profit or interest over and above the principal on money loans. Similar to rules pertaining to a just price it was generally acknowledged that lenders had the right to cover costs, being entitled to reimbursement for actual loss (*damnum emergens*) and foregone gain (*lucrum cessans*). Utilitarian preference for present over future consumption, on the other hand, was not viewed as a legitimate cost. The time preference of money should be of no concern to the lender, and "if usury is charged on this basis, says Scotus, (echoing Aquinas on commodity exchange), the lender sells something which does not belong to him."¹³³

It has been argued that the moral and legalist orientation of scholastic economic thought represented an impediment to genuine economic analysis and the advance of economic theory. Premised, as it is was, on preconceived moral positions, scholastic economics systematically excluded considerations and ideas which failed to comport with such notions. "But," as Langholm argues "this was not always the case with scholastic economics. Frequently, in order to develop good and workable norms of justice, it would be necessary to go beyond superficial appearances of equity and reason out how alternative

rulings would affect individuals and community in the long run (often reluctantly admitting the likely actions of men are not as they ought to be)."¹³⁴

The emphasis placed on the realization of just outcomes rather than on the legalistic rules designed to achieve such outcomes is not without implication for modern Christian economics, coming much closer in spirit to the flexible approach to economic relationships and science advanced by McKee, Tiemstra, and others than it does to the inflexible rules based approach advanced by Heyne and other proponents of a natural law view of economic science.

All of the scholastic writers subscribed to governmental or ecclesiastical rules pertaining to a just price and usury, and it was not until the wide-scale emergence of a capitalist economic order and a Protestant social ethic in the 16th and 17th centuries that restrictions on economic activity were gradually eliminated or ignored. Commenting on this transition, Langholm writes:

The "spirit of capitalism" with which scholasticism was eventually countered in the sixteenth century was also originally justified on the individual level. It is one of the merits of the Weber thesis to have focused on this fact. Social justification came later and transformed the ideology. Initially (to put it simply), it was mainly a question of a secularized natural rights philosophy defeating Christian deontology. 'So long as the capitalist spirit remains the 'sin' of the individual,' said the Italian economic historian and statesman Amintore Fanfani, 'it is not a force that will organize the world.' It can do so only with 'the waning of faith... in a Catholic world' or with a denial of the 'relation between earthly action and eternal recompense' (as in the Protestant ethic). It would be hard to summarize one aspect of the Weber thesis more succinctly than that.¹³⁵

While the pluralistic detachment between 'earthly action and eternal recompense' may have won the day, being codified in the emerging laws and social strictures of Western society, this was not a point the Catholic Church - nor, for that matter, most reformation Protestant churches - were willing to concede. Aquinas' writings and influence remained an ever present foundation for Catholic social thought, and while the Church's

temporal authority gradually waned during the 17th and 18th centuries, it, nevertheless, retained a monistic view of social and economic reality, with the concept of social and economic justice and Catholic hierarchical authority at its center.

1.7.3 Papal Encyclicals and Modern Catholic Social Thought

This view took on even greater importance during the 19th century with the loss of temporal Church authority, the emergence of Marxist ideology and revolutionary ferment, evolutionary theory, and a pluralistic view of Church and state. The French Revolution had greatly diminished the influence and property holdings in France and elsewhere. Both Pope Pius VI and his successor Pope Pius VII were arrested by Napoleon, and while the Papal States would be restored in 1815, temporal Church authority would wane throughout the century culminating in their final loss between 1858 and 1870, the loss of Rome in 1870, the abolishment of tithes in Italy in 1888, and the nationalization of the Church's charitable foundations in 1890. Similar losses occurred in France, Germany, Austria, and elsewhere, and by the end of the 19th century the Church would be faced with the new reality of diminished political influence and a pluralistic social ethos.¹³⁶

It was against this backdrop that Leo XIII published *Rerum Novarum* (1891), the first modern work to set forth the Catholic position on Church, state, society, and the economy. Commonly regarded as the beginning of 'social Catholicism,' *Rerum* would set the stage for two later Papal encyclicals on the economy: *Quadragesima Anno* (1931) of Pope Pius XI, written as a fortieth anniversary tribute to *Rerum*; and, most recently, *Centesimus Annus* (1991) by John Paul II, published as a centenary tribute to *Rerum*.¹³⁷

In all three encyclicals, the Church evokes an image of an 'organic' society, wherein all elements of society are connected to the whole. In *Quadragesima Anno*, Pius XI writes: "it will be possible to say in a certain sense even of this body what the Apostle Paul says of the mystical body of Christ: 'the whole body (being closely joined and knit together through every joint of the system according to the functioning in due measure of each

single part) derives its increase to the building up of itself in love."¹³⁸ Implicit in this view is the belief that no man is an island unto himself, that all men have a responsibility to care for others; that human dignity is a gift of God, not to be compromised for social or economic gain; and that the institutions which man has created should serve all men not simply the narrow objectives of the few.¹³⁹

Unlike the individualistic, market oriented philosophy of Adam Smith and other writers of the Scottish enlightenment, the pursuit of individual self-interest does not guarantee social gain, nor is it true that the interest of all elements of society are served by this common objective. Conscious effort is required to achieve the 'common good,' to assure that all elements of society work in harmony, and that some economic entities do not pursue their own self-interest to the detriment of others. It is the Church's responsibility to provide this leadership and this implies some measure of social control and authority. In *Rerum Novarum* (1891), Leo XIII writes: "A family, no less than a State, is ... a true society, governed by authority peculiar to itself, that is to say, by the authority of the father."¹⁴⁰ In the encyclical *Libertas* (1888), a reactionary critique of 19th century political and economic liberalism, he writes: "the highest duty is to respect authority, and obediently submit to just law; [for] it belongs to the perfection of every nature to contain within itself that sphere and grade which the order of nature has assigned to it, namely that the lower should be subject to the higher."¹⁴¹

A third characteristic of the encyclicals is the image invoked of a sinful and oppressive world, one characterized by economic and social inequality, exploitation, and the systematic oppression of the poor and powerless by the rich and powerful. The terms 'just wage,' 'social solidarity,' 'worker's associations,' 'dignity of labor' are used almost interchangeable in all three encyclicals, and together with some more recent terms such as 'preferential option for poor,' the Church paints a decidedly leftist view of the economic relations which exist among men. Sin is assumed to invest all human relationships, and when left to their own devices, men will invariably exploit their brother, either through

unequal bargaining strength as in the case of the powerless worker who is required to work long hours in hazardous conditions for a substandard wage or through man made social and economic structures which reflect the self-interest of the ruling elite. Capitalism according to this view must be "circumscribed within a strong judicial framework" guided by "ethical and religious ends" lest it be used to advanced the ends of some at the expense of others.¹⁴²

The fourth and final characteristic of modern "social Catholicism" is an enmity towards the pluralistic world view which became dominant during the 18th and 19th centuries. Individualism and political liberalism are viewed as sinful as are the man-centered doctrines advanced by various 19th century socialist writers. In the former case, the political and economic philosophies of the enlightenment had given rise to a humanistic view of man and nature, a view which not only challenged the moral authority of the Church, but which gave license to the wholesale plunder of Church property both during and after the French Revolution. As early as 1791 Pius VI writes: "Carefully beware of lending your ears to the treacherous speech of the philosophy of this age which leads to death."¹⁴³ Some ninety years later Leo XIII writes:

.. the eternal law of God is the sole standard and rule of human liberty, not only in each individual man, but also in the community and civil society. Therefore, the true liberty of human society does not consist in every man doing what he pleases, for this would simply end in turmoil and confusion and bring on the overthrow of the state.¹⁴⁴

Given the authoritarian, organic view of society propounded by various Catholic pontiffs, one would expect a more sympathetic view towards the idea of socialism. Such, however, is not the case. From *Quanta Cura* (1864) of Pius IX down to *Centesimus Annus*, the Church has exhibited varying degrees of hostility towards socialism. As early as 1878, Leo XIII rails against the "deadly plaque" of socialist ideology, a feature of which being "the confiscation of property that was once the support of the Church's ministers

and of the poor."¹⁴⁵ Yet, it was not only a real or imagined threat to Church property which elicited such hostility, but also the humanistic ideal upon which most socialists thought is founded. "The fundamental error of socialism," John Paul II writes in *Centesimus Annus*, "is anthropological in nature." "Socialism," he goes on to declare, "considers the individual person as an element, a molecule within the social organism, so that the good of the individual is completely subordinated to the functioning of the socio-economic mechanism."¹⁴⁶

Socialist philosophy is rejected for the same reason that individualism is rejected: both fail to acknowledge the role of God - and by implication the Church - in social and economic affairs. Indeed, the common thread linking the foregoing elements in "social Catholicism" is a hostility towards a pluralistic view of religious life. Economic behavior cannot be severed from its consequences, nor from the concept of God, and any effort to do so simply gives license to men to engage in the very practices condemned by God. Both the enlightenment view of individualism and socialism stand equally condemned on this count, having sought to establish justice here on earth apart from God. Commenting on the Godless attributes of both philosophies, John Keane, first rector of the Catholic University of America, writes, a "false individualism"

had its birth in English Deism, grew into the system of *laissez-faire*, reached its awful culmination of the Reign of Terror and the Paris commune, and now comes back to the starting point of its vicious circle in the State Socialism so vehemently urged at present.¹⁴⁷

Individualism and socialism, according to this view, are more alike than it is commonly surmised, both being the manifestations of the pluralistic, Godless philosophy which originated during the enlightenment.

1.7.4 Catholic Social Thought and McKee's Thought

A perusal of McKee's Christian economic thought reveals a number of concepts and ideas closely linked to the Catholic social tradition of which he is apart. In the papers "What is Just Profit," "From a Theory of Economic Justice to its Implementation," and "What is Distributive Justice," he invokes the just law tradition passed down by 13th and 14th century scholastic scholars. In his article "Christian Economic Policy and the Role of Economic Science," he argues that the hierarchical teachings handed down by John Paul II and others represent an "obligation to concur for believers." In "Market Failure and the Place of Government in Social Economy," he maintains that "as the medievalist saw more clearly than us ... authority was from God" and that government should be founded on this very basis. In "The Natural Right to Private Property," he looks to the natural law tradition handed down by the scholastics as a defense of private property, arguing further that Pope Leo XIII's "declaration remain(s) valid for modern society and that private property must be one foundation of any modern economy corresponding to human nature."¹⁴⁸ In his book *Economics and the Christian Mind*, McKee invokes the thought of Augustine, Aquinas, papal encyclicals, and other elements of Catholic social thought in support of the view that economics science should be explicitly guided by a theological notion of human "rights" and economic justice.

1.8 Anthony Waterman

As a professional economist and an Anglican priest, Waterman looks to the Christian economic thought of a small but influential group of early 19th century Anglican economists as the philosophical foundation for his Christian economic thought. Given his dual interest and expertise in both economics and Church affairs, Waterman was called upon during the 1970s to chair the Anglican National Task Force on the Economy. While the result of this endeavor was by his own reckoning less than hoped for, the exercise initiated a long and exhaustive research program on the history and legacy of early 19th

century Christian economic thought. This effort eventually culminated in the publication of his *Revolution, Economics & Religion* (1991), an insightful account of how early 19th century political developments, theological discourse, and classical political economy coalesced into a recognizable school of thought, referred to by Waterman as 'Christian Political Economy'.¹⁴⁹

1.8.1 Thomas Malthus

Waterman's excursion into early 19th century Christian economics starts with Thomas Malthus, who, in response to the late 18th century Jacobin assault on traditional social institutions, published his *Essay on Population* (1798), an enduring classic on the nature and consequences of economic scarcity.

The thesis set forth in Malthus' *Essay* is simple, yet powerful: since 'population, when unchecked, grows at a geometric rate' and 'subsistence increases only at an arithmetic ratio,' there exist 'a strong and constantly operating check on population.' Malthus identified these checks as 'preventive,' which he defined as 'foresight of the difficulties attending the rearing of a family,' and 'positive,' which might include any one of a number of problems resulting from population pressure and giving rise to a higher mortality rate. Together these two checks limit population to an equilibrium level corresponding to some socially determined minimal standard of living. If total population should exceed this level, social upheaval and a higher mortality rate will result, bringing about an abrupt reduction in population. If total population should fall below this level, a natural increase in population will gradually eliminate the social surplus going to the laboring classes, limiting further population growth. In either case, the standard of living will invariably return to its equilibrium level, leaving the real wage rate for the vast majority of people at a subsistence level.¹⁵⁰

While the problem of scarcity as posited by Malthus represented a highly effective counter to the doctrine of perfectible man and society posited by his intellectual sparring

partner William Godwin, it inadvertently evoked a rather difficult theological problem. If, as maintained by Malthus, scarcity is an invariant feature of human existence, then it must also be true that God created the world with this very purpose in mind, relying upon physical evil and perhaps even moral evil to accomplish His grand design. Malthus' 'principle of population' does not explain why an omnipotent and benevolent God would rely on evil to accomplish His will.

As a parson with considerable theological training in Christian apologetics, Malthus was aware of the theological dilemma arising from his political economy, and in the final two chapters of his first *Essay* he advances a defense of the Christian view of God in the presence of evil. Drawing upon the work of the 18th century Anglican theologian Abraham Tucker, Malthus eschewed divine revelation as manifested in Scripture in favor of natural theology. 'It seems absolutely necessary,' he writes, 'that the Supreme Being should always act according to general laws' for 'the constancy of the laws of nature ... is the foundation of the faculty of reason.'¹⁵¹

From this naturalistic foundation, Malthus went on to posit an evolutionary process whereby the development of the human mind is the divinely mandated purpose for human life. 'The mighty process of God,' he writes, is '... the creation and formation of mind; a process necessary, to awaken inert, chaotic matter, into spirit; to sublimate the dust of the earth into soul.' 'The original sin in man,' he goes on to assert, 'is the torpor and corruption of chaotic matter, into which he may be said to be born,' and it is only through the effort and exertion forthcoming from human efforts to overcome scarcity that humans arise above such grim circumstances. The 'principle of population' and the attendant problems it creates serves to awaken within humankind the energy, imagination, and virtue to which he or she was destined.¹⁵²

This process, however, is not assured, and at least for some, there exist the possibility of eternal destruction. Rejecting the belief that any of the 'creatures of God's hand can be condemned to eternal suffering,' Malthus was of the belief that those minds which

are 'misshapen' or those 'whose minds are not suited to a purer and happier state of existence should perish, and be condemned to mix again with their original clay.'¹⁵³ In adopting this view, he committed himself to two heretical views: annihilationism, a position rejected by Tucker and most other Anglican theologians, and the belief that God requires time to complete his work here on earth and that He may and, in fact, does make mistakes.¹⁵⁴

Not surprisingly, Malthus' theodicy was not well-received and even by modern standards was held to be lacking on a number of counts. In an article published in 1983, Waterman evaluates the final two chapters of Malthus' first *Essay* and finds that his theology lacks internal consistency, does not conform to early 19th century or contemporary strictures of the Anglican Church, and, most importantly, fails to achieve its desired purpose. Commenting on this latter fault Waterman writes:

.... His more professional and more cautious predecessors carefully hedged their treatment of evil, and were not ashamed to fall back, when necessary, upon the authority of sacred scripture. But Malthus chose solely to 'reason up to nature's God' and so was betrayed into a non-solution of the problem of evil. For in his system everything that is commonly thought of and experienced as 'evil' has to be regarded as a necessary part of the providence of God, and hence is not *really* an 'evil' at all, but a 'good.'¹⁵⁵

In his book *Revolution, Economics & Religion*, published in 1991, Waterman expands upon his critique of Malthus' theodicy, arguing that Malthus' theory on the 'creation and formation of mind' was set forth as a means to undermine Godwin's position on the nature and consequence of human institutions. Rather than being the source of human evil, as suggested by Godwin, Malthus argued that long-standing social institutions ameliorate the consequences associated with humanity's ignoble nature and are essential if he is to rise above the savage state from whence he came. It was this rather than purely theological concerns which motivated the last two chapters of Malthus' first *Essay*, and in order to understand his theodicy one must first look at the polemical arguments gleaned from his

views on spiritual and anthropological development and the role such arguments played in defeating Godwin's social philosophy. Waterman writes:

Whatever literary encouragement Malthus may have received from his reading of Abraham Tucker, Hume or the Cambridge Platonists, it was, I believe, Godwin's conception of the development of mind which determined his choice of a particular, Tuckerian form of the theodicy. It was essential to show that inequality is a perennial requirement of human intellectual and spiritual development, and hence that man may never safely 'throw down the ladder by which he has risen' to the civilized state.¹⁵⁶

In defense of this assertion, Waterman traces out Malthus' theological system as one of providing a theological defense of creation and substituting Godwin's view of perfectible man with a demythologized account of original sin, all for the purpose of providing a defense of inequality and demonstrating that humankind is averse to labor unless compelled by necessity.¹⁵⁷ Surprisingly enough, Malthus' theodicy was not crucial in this regard, being only one of many arguments he could have used to support his view of human nature. As later writers would clearly demonstrate, a more orthodox approach premised on a state of probation would have sufficed and done so in a much less obtrusive and politically volatile way.¹⁵⁸

The heretical thesis posited by Malthus did not go unnoticed among his Anglican contemporaries, and there came to exist a general consensus that while his polemical rebuttal of Godwin was desirable, the theological moorings upon which it rest were not. As an example of such criticism, Waterman quotes from an 1802 review of Malthus' first *Essay* published by the *British Civic*, an "organ of Anglican orthodoxy." The review reads:

Our readers may expect from what precedes, that Mr. M. is an enemy to the idea of perfectibility; but in this they will be deceived: he denies it to the human species indeed, but liberally confers it upon every particle of matter.¹⁵⁹

Malthus was evidently sensitive to such criticism, deleting the last two chapters on theodicy from subsequent editions of his *Essay*. He would never again publish on the subject of theology.

1.8.2 William Paley

If it were not for the work of the Anglican archdeacon William Paley, Malthus' ill-fated excursion into theodicy may have spelled the end of early 19th century 'Christian Political Economy.' Paley, however, was looking for a theoretical basis for his own polemical arguments, and he found none more powerful nor more compelling than Malthus' 'principle of population.' Owing to the excesses of the French revolution, political discourse in England had become increasingly polarized during the latter part of the 18th century. This had a profound effect not only on political discussion, but on theology as well, as both radical and conservative political theorist looked to an understanding of God to support their respective political positions. By 1800 the battle lines were drawn, with radical Jacobinism and heterodox theology, on one side, and political conservatism and orthodox theology, on the other.¹⁶⁰

Paley, a conservative theologian with moderate political views, was not above the fray, and in a series of books published over a two decade period, he sought to establish a theological foundation for a progressive, yet fundamentally conservative, political agenda. The first of these books, *The Principles of Moral and Political Philosophy* (1785), was published well before Malthus' first *Essay* and was considered progressive and even dangerous by 18th century standards, calling for greater income equality, abolition of slavery, and even civil disobedience under certain circumstances. Such issues, however, served as only a backdrop for the book's primary theme, which was to elucidate those elements of private and political conduct most conducive to future reward. This theme was extended in his *Evidences* (1794) and *Horae Paulinae* (1795) which demonstrated how 'a future state of rewards and punishments' is supported by Scripture. In his final book, *Natural*

Theology (1802), Paley sought, in Waterman's words, to "demonstrate the existence and other attributes of God from the 'book of nature.'" When read in reverse chronological order, the four books completed a system of theology which, at least in Paley's estimation, tied the major political and theological themes of the day into one coherent argument.¹⁶¹

Although Malthus' first *Essay* was not published until after Paley had completed three of his four major works, Paley quickly became in Waterman words "one of Malthus' earliest and most distinguished converts,"¹⁶² incorporating the central features of Malthus' 'principle of population' into the final chapter of his final book, *Natural Theology*. Though the latter effort had little to do with counterrevolutionary polemics, Paley was not averse to the ideological implications of the Malthusian doctrine, and what better way to support a system of inequality than to premise one's arguments on unassailable natural law. 'It seems impossible,' Paley writes, 'not to people a country with inhabitants who shall be all in easy circumstances.'¹⁶³

It was also in the last chapter of *Natural Theology* that Paley sets forth his theodicy. Following conventional lines of reasoning, he identifies three distinct types of evil: physical evil which includes sickness, natural catastrophes, pain, etc.; civil evil which centers around the inevitable problems associated with the 'principle of population'; and moral evil which follows from 'the character of man as a free agent.'¹⁶⁴

It was Paley's intention to demonstrate that the first two types of evil, physical and civil, were consistent with the design or contrivance of a beneficent creator. Physical evil such as pain, for example, provides a useful warning; disease, another type of physical evil, reconciles us with death; death is a necessary part of nature; and even the pain of bereavement serves a moral purpose. Paley evoked the concept of civil evil "to prove," in Waterman's words, "the inevitability of poverty, labor, servitude and restraint."¹⁶⁵ By stimulating human faculties and efforts, the distresses associated with population pressures serve a beneficial purpose. Civil evil has a teleological purpose as well, since those characteristics most associated with social and economic inequality - a desire for money,

prestige, etc. - engender human effort and in so doing advance the common lot of humanity.¹⁶⁶

Having concurred with Malthus' judgment concerning God's goodness in the presence of evil, Paley parted company with Malthus as to how scarcity and inequality relate to God's divine plan for creation. Following the arguments he sets forth concerning physical evil, Paley viewed the human condition as one of cause and effect or, in biblical terminology, a world in which 'one reaps what one sows.' Life is viewed as a state of probation whereby humans are rewarded and punished both in this life and in the next for the deeds they commit here on earth.¹⁶⁷

The process of retribution, however, is not perfect, being subject to an element of chance. Chance, Paley argued, is a necessary element in God's grand design, for otherwise there would be no reason to act in a kind and forgiving way towards one's neighbor. In a world with perfect retribution human benevolence would only stand in the way of justice. Moreover, perfect retribution rules out faith in divine intervention, perhaps the most important of Christian virtues. Humankind does indeed suffer and benefit from his or her actions, but, in His divine wisdom, God permitted an element of chance to thwart or circumvent the system of rewards and punishments that He himself created.¹⁶⁸

Considered collectively, Paley's contributions addressed the three major failings of Malthus' first *Essay*. First, he was much less strident and dogmatic on important social issues than Malthus, allowing for the type of interventionist policies advocated by the Whig party. Second, he managed to retain the essential features of Malthus' population theory, especially as it related to the role of institutions, while avoiding Malthus' 'gloomy inferences.' Finally, he replaced Malthus' heterodox theodicy with one which essentially conformed to the prevailing views of the Anglican Church. Together these changes would form the central core of 'Christian Political Economy' over the next three decades.¹⁶⁹

1.8.3 Malthus' Further Contribution

Interestingly enough, it was Malthus who set the stage for the next major development in 'Christian Political Economy.' In the second edition of his *Essay*, Malthus identified 'moral restraint' as a third check on population growth. While this modification was, in Waterman's view, of little or no significance in terms of Malthus' analytical system, it fundamentally altered the tone and emphasis of Malthus' overall argument, "completely [altering] the terms of the debate with the Jacobins and drastically [reducing] the problem of evil created by the principle of population."¹⁷⁰

Although Malthus' was now required to accede, at least in principle, to the possibility of enduring economic progress, an outcome he went to great lengths to refute in his first *Essay*, the social and economic possibilities conferred by "moral restraint" gave his polemical arguments a new lease on life, aligning it with the interventionist policies advocated by the Anglican Church and their Whig allies. More importantly, in stark contrast to Godwin who sought to eliminate human institutions, Malthus' modified argument provided a cogent reason to retain and promote those institutions most associated with the maintenance and preservation of the existing social order, affording the church the very argument it needed to maintain its traditional role in society.¹⁷¹

1.8.4 William Bird Sumner

In 1816, fourteen years after Paley's *Natural Theology* and nine years after Malthus' latest edition, William Bird Sumner published his critically acclaimed work, *A Treatise on the Records of Creation: with particular Reference to the Jewish History, and the Consistency of the Principle of Population with the Wisdom and Goodness of the Deity*. The book, which consisted of two volumes, was an outgrowth of a formal competition to establish the existence of God through natural and divine revelation and to prove His wisdom and goodness on the basis of such argument. In the first volume, Sumner relies on metaphysical reasoning and the 'the principal facts recorded by Moses' as

evidence of God's existence. His treatment of the subject was, in Waterman's words, good but "not particularly original." In the second volume, however, Sumner provides a lucid and original explication on the wisdom and goodness of the Creator as it relates to the principle of population, and it was this contribution which made his *Records* "a work of large and enduring influence."¹⁷²

Volume two is separated into two distinct parts: part II, which demonstrates the nature and beneficence of God's wisdom; and part III, a defense of God's goodness in the presence of evil. Sumner initiates the discussion in part II by declaring that the Creator's wisdom is clearly evident from the 'inequalities of ranks and fortunes' which foster the highest possible level of human faculties and virtue possible in a fallen world. It is through 'a state of discipline' that 'the various faculties of mankind are exerted and their moral character formed,' and this through emulation and example. Private property is essential in this regard for it is only through the acquisition and existence of private property that every human secures the fruit of his labor, being 'continually impelled by his desires from the pursuit of one object to another.' Desire gives rise to exertion and exertion to the development of human faculties.¹⁷³

The relationship between inequality and virtue is also evident. The benevolent practices of the rich and the socially productive behavior of the poor are predicated on inequality. In the absence of inequality there would be no reason to give alms, an essential feature of Christian teaching, nor would the poor have any incentive to rise above the wretched conditions in which they live. As an example of the latter relationship Sumner points to frugality, temperance, and 'a prudential restraint upon the passions,' virtues associated with middle class values and a prosperous life. 'Virtue,' he writes, 'is an active and energetic habit, arising from the various relations of human life, and exercised in the practice of real duties; so that, as you increase the number and variety of those relations, you enlarge its sphere of action.'¹⁷⁴

"All this," writes Waterman, "is routine eighteenth-century apologetics" based on Adam Smith's carrot, Malthus' stick, and Paley's 'Reason for Contentment.' What distinguishes Sumner's work, however, is his application of Malthus' 'principle of population.' Population pressure, according to Sumner, inevitably leads to private property; this and luck lead to inequality, a process which cannot be thwarted through well-meaning legislation. Inequality, in turn, becomes more pronounced over time, and, finally, 'all the arts of cultivation follow in its train.'¹⁷⁵

Sumner also relates God's wisdom to the 'collateral Benefits derived by the human Race from the Principle of Population.' These include 'the establishment of universal industry' and 'the quick and wide diffusion of the beneficial results of that industry.' The first benefit results from a diminution in indolence and from the division of labor associated with an increasing population; the second from migration and international trade, developments which play a major role in world evangelism. 'Through the influence of the principle of population,' Sumner writes, '... civilization becomes the instrument of diffusing Christianity.'¹⁷⁶

Sumner concludes his discussion on divine wisdom with a 'concise recapitulation of the general argument.' He writes:

It is apparent then, first, to be the *design* (a) of the Creator to *people the world* (b) with rational and improvable things, placed there, it would seem, in a *state preparatory* (c) to some higher sphere of existence, into which they might, hereafter be removed. With this in view, he implanted in the first progenitors of the species a *passion* (d) transmitted by them to their descendants, which in the outset prompts the finest feelings of the mind, and leads to that close union of *interests* (e) and pursuits, by which the domestic comfort and harmony of the human race is most effectively promoted. The operation of this *principle* (f), filling the world with *competitors* (g) for *subsistence* (h), *enforces* (i) labor and *encourages* (j) industry by the *advantages* (k) it gives to the industrious *at the expense* (k) of the indolent and extravagant. The ultimate effect of it is, to foster those arts and *improvements* (l) which most dignify the character and refine the *mind* (m) of man, and lastly, to place mankind in that *situation* (c) which best enables them to improve their natural faculties, and at the same time best

exercises, and most clearly displays, their *virtues* (n). The collateral benefits derived from the same principles were shown to be the promotional of universal comfort, by ensuring the most effective *disposition of labor* (o) and skill; and the diffusion of the *civilization* (p) thus attained, by gradual and steady *progress* (p), through out the various regions of the habitable globe. Such is the omniscience and comprehensive *wisdom* (q) of the Creator, deductible from the facts respecting *population* (f) ...' (Waterman's italics and letters)¹⁷⁷

"Most of the major themes in contemporary political discourse," writes Waterman, "are fitted neatly into this summary." The principle of population (f), replenishing the earth (b), competition (g), and subsistence (h), for example, result in inequality (k), which, in turn, gives rise to civilization (l) through the Malthusian 'stick' of disincentives to idleness (i) and the Smith-Paley "carrot" of incentives to industry. Civilization encourages the development of human faculties and virtue. The latter is consistent with self-love and instrumental to the division of labor (o) and progress (p). The entire theme exemplifies the divine wisdom of the Creator, who by design (a) created a state of probation (c) to accomplish the foregoing developments.¹⁷⁸

While "no single element in this is new ... the whole," Waterman declares, "is greater than the sum of its parts."¹⁷⁹ By refocusing the discussion away from a defense of God's goodness to the unfolding of His plans for creation, Sumner provides a much more effective treatment of the subject, removing his argument from the murky waters of Malthusian theodicy and placing it squarely in the realm of Paleyesque teleology. Commenting on this distinction, Waterman writes:

For whereas Malthus himself and virtually all of his readers had looked on the principle of evil to be reconciled as well as might be with the divine *goodness*, Sumner lifted it out of the icy realm of theodicy altogether, transplanting it to the genial soil of Paley's teleology, there to flourish as an example of divine *wisdom*.¹⁸⁰

While carefully avoiding "the icy realm of theodicy" in his discussion on divine wisdom, Sumner addresses the problem in his discussion on the nature of God's goodness.

He begins part III by asserting that the 'constitution of Mankind' demonstrates that God intended humankind to be happy and that this is ample evidence of His goodness.¹⁸¹

This assertion is followed by an extensive discussion on free will and virtue and vice. While reason tells us that God favors virtue and opposes vice, He 'must clearly have seen, that a being, liable to vice and temptation in the degree to which man was liable, would inevitably fall into it.' Why then did God create humankind whom He knew was destined to fail? Sumner's answer to this question is in Waterman's words both "ingenious and ... original." It is human nature, Sumner argues, to avail itself to a state of trial where he is rewarded for doing good and punished for doing bad. The rewards are such 'that all would joyfully embrace it, notwithstanding the difficulties that might oppose the attainment, and the dreadful evils awaiting a failure.' In deference to this wish, God exposes humans to the risk that they would freely choose if given the opportunity. Sumner bolsters his argument with numerous biblical and historical illustrations demonstrating why 'trial, severe trial, is absolutely requisite to purify and establish the human character.'¹⁸²

In the next chapter, Sumner looks to the events recorded in Scripture as proof of God's goodness. 'Whatever doubts the permission of evil might excite, whatever clouds it might appear to cast over the plan of God's moral government are dispersed by the view which the Scriptures present of the mission and sacrifice of Christ.' Christian revelation confirms, 'that this earthly state is preparatory to a superior state for which we are designed.' But a state of trial presupposes the existence of evil, and it is here that the sacrificial gift of Christ comes into view, affording 'a vicarious atonement for repented sin.' God is also gracious to those who heed His calling, enabling them 'to fulfill those commands which as the descendants of guilty parents, they would otherwise be disqualified from obeying.'¹⁸³ By integrating scriptural revelation into the broader context of his natural theology Sumner became, in Waterman's words, "the first English theologian of stature to carry out the program of the Cambridge moderates with complete success."¹⁸⁴

Perhaps the most distinctive feature of Part III is the discussion Sumner provides on the 'principle of population' as it relates to developed and underdeveloped countries, or in Sumner's words, 'opulent states of society' and 'rude and unsettled countries.' In developed countries, the population 'press heaviest upon the inferior stations,' in underdeveloped countries 'more uniformly upon the whole population.' Sumner posits that progress comes to uncivilized countries through a type of social Darwinism, whereby less developed countries are conquered or are otherwise influenced by their more affluent and developed neighbors. Since inequality represents an essential feature of economic development, inequality, once again, serves to minimize the effect of evil - in this case, the evil associated with economic underdevelopment.¹⁸⁵

More interesting, however, is Sumner's discussion 'On the Capabilities of Improvement in a State of Advanced Civilization.' While Sumner was of the belief that inequality and poverty were inevitable, 'political economy also reveals that the genuine evil associated with this inevitable outcome is remediable.' 'The fundamental cause of the greatest evil of the poor,' he declares, 'is ignorance,' but this can be overcome through education. By making them 'agents in bettering their own life,' the poor will become much like the educated person, who 'sees his interest more clearly, .. pursues it more steadily, [and] does not study immediate gratification ... or mortgage the labor of his future life without an adequate return.'¹⁸⁶

Poverty, however, can also be caused by irremediable factors which cannot be ameliorated through education. These include the poverty arising from 'sickness, infancy and old age,' Poor Laws, and a general lack of economic development. Poverty arising from physical illness could be adequately handled through private and local charity and by Friendly societies; poverty arising from the Poor Laws by eliminating the 'institution from which it arises;' and national poverty through economic development and the accumulation of private savings. With regard to the last of these recommendations, Sumner writes: 'The security of capital in this country, the facility of turning it to the best use, the quick and

ready communication of labor throughout the whole kingdom afford inestimable facilities to ... the improvement of the state of the mass of the community.' To this Sumner added efforts to mobilize the savings of the poor, a sure and effective means to increase the living standards of the impoverished masses.¹⁸⁷

Sumner's *Records* dispelled much of the 'gloomy inferences' formerly associated with 'Christian Political Economy'. By "emphasizing," in Waterman's words, "the possibilities of economic, social and religious amelioration opened up by moral restraint," the harsh 'positive checks' upon which much of Malthus' first *Essay* was founded gave way to a "whiggish appetite for orderly reform." These included a number of proactive policies such as the encouragement of parish schools and savings banks, and reactive policies, the chief of which being the elimination of the Poor Laws. Many of these ideas would gain recognition and acceptance through the writings of Malthus, who came to adopt much of the program formally proposed in Sumner's *Records*.¹⁸⁸

1.8.5 Edward Copleston

The next major contributor to the discussion was the highly successful Anglican clergyman Edward Copleston, who, in 1819, published his two *Letters to the Rt. Hon Robert Peel*, a treatise on monetary issues, inflation, and the causes of poverty. The two letters, which could be properly viewed as one work, were a direct response to the economic turmoil that engulfed Britain during the five year period following Waterloo. The cessation of hostilities brought with it an economic depression, occasioned by a 36 percent increase in poor relief over a three year period and a disastrous decline in the real price of agricultural products. It was this latter event which engendered the historic debate between Malthus and Ricardo on the nature and necessity of importing corn, with Malthus siding with the landed interest and Ricardo the commercial interest.¹⁸⁹

The postwar depression was also accompanied by a very uncharacteristic rise in the general price level, a development more closely associated with an economic boom

than with a depression. Yet, the war time practice of printing money to finance government expenditures was continued after the war, contributing to an inflationary spiral in the midst of an economic slump, and it was this latter problem which Copleston addressed in the first of his two *Letters* to the British prime minister Robert Peel.¹⁹⁰

The price level, Copleston argued, simply reflected the supply and demand for money, the former being determined by the existing supply of fiat money and precious metals and the latter by the needs of trade and commerce. An increase in the supply of money relative to its demand would necessarily engender a price increase, an outcome much evidenced during and immediately after the Napoleonic wars. It was this problem more than any other, argued Copleston, which caused the postwar decline in the living standards of the impoverished masses. What was needed was price stability and this could only be assured through a return to the prewar system of currency convertibility.¹⁹¹

It was the erosion in real earning power which distinguished Copleston's economic analysis from other economists of his day, including those most closely associated with 'Christian Political Economy.' Poverty, Copleston argued, could be largely traced to the inability of the poor to achieve compensatory increases in wages during inflationary periods. While the rich were somewhat insulated from the vicissitudes of rising prices and economic slumps by virtue of their ability to recontract prices, the poor and those on fixed incomes were severely constrained in this regard, and, at least during the early phase of an inflationary spiral, had neither the wherewithal nor the bargaining strength to extract wage concessions from employers. The poor, writes Copleston, are the 'last to obtain redress' during inflationary periods.¹⁹²

Copleston's emphasis on the redistributive effect of rising prices greatly undermined prevailing arguments against the Poor Laws. The classical economists of the period, it should be remembered, looked upon the Poor Laws as a leading cause of indolence and poverty. Copleston challenged this position arguing that the Poor Laws were simply an ineffectual remedy to a more complex problem and that any measures aimed at eliminating

the former without addressing the latter would only exacerbate the economic plight of the poor. While acknowledging the importance of reform, Copleston concluded that this should not occur until convertibility was restored and inflation abated. 'All plans for gradual abolition of the laws, must ... be regarded as needless.'¹⁹³

In his second *Letter*, Copleston lends support to this contention by arguing that a considerable differential may exist between the biological and socially determined minimum wage, with poverty, at least in Britain, having little to do with the former. A purely Malthusian explanation based on biological limitations would only be valid during periods when the market wage approached the absolute minimum necessary to maintain life. Since this seldom occurred in advanced societies, what is normally viewed as poverty is simply a departure from the socially determined minimum wage. This could be caused by any one of a number of causes including involuntary unemployment or a decline in real income resulting from inflation. While Copleston did not ignore the former cause, the primary emphasis of his argument was on the latter, and in an effort to support this contention, he relied heavily on statistical and historical information to demonstrate the correlation between poverty and inflation.¹⁹⁴

Copleston, according to Waterman, was a first rate economist. His explication of monetary disequilibrium foreshadowed that of Malthus and Keynes; his rendition of Malthusian theory represented a clear advance over that expounded by Malthus in his most recent *Essay*; his reliance on historical and empirical was uncommon at the time and was both detailed and thorough; and his argument in support of the Poor Laws was so compelling that even Malthus deferred to his judgment, "abandoning, at last, his insistence on the repeal of the Poor Laws."¹⁹⁵

Given the importance Waterman attaches to Copleston's economic analysis it is noteworthy that he should view his theological ideas as being "at least as important." Affirming the state of probation doctrine advanced by Paley and Sumner and the importance of 'moral constraint' as first suggested by Malthus, Copleston goes further than these

writers in clarifying humankind's right to existence and the moral responsibility of others to assure this end. 'The natural law of preservation,' he writes, '... is universally allowed to supersede the positive restraint of other laws' and could conceivably 'render a violation of property excusable.' This, he concludes, is essential if 'Political economy' were to be 'Christian.'¹⁹⁶

A natural right to existence, however, does not imply a right 'to a full supply of wheaten bread' for 'in the case of scarcity, nature dictates that the allowance should be shortened in proportion to the exigency.' By advancing this position Copleston was essentially denying the 'positive check' of Malthusian theory, while at the same time affirming its analytical structure. All measures should be taken to prevent starvation, but it should also be remembered that actual food consumption is constrained by the food supply. More importantly, poor relief should not be so high as to exacerbate the problem by encouraging population growth.¹⁹⁷

Having affirmed the right to self-preservation, Copleston turns to the question of charity. Since charity is a virtue, it is in the interest of all individuals to be charitable if able to do so. Voluntary charity would do much towards assuring the survival of those who might otherwise succumb to economic hardship and would be much more effective than governmentally mandated relief programs. 'Common sense' and 'the divine purpose and the declared end of our being,' Copleston declares, informs us that we cannot be 'charitable by proxy.'¹⁹⁸

It was at this point that Copleston draws upon the inferences of Malthusian theory, evoking the 'principle of population' to demonstrate that involuntary charity was not part of God's grand design. It was Malthus, Copleston declared, who first understood and expounded this great truth and herein lied his genius. He writes:

It is the high distinction of the Essay on Population to have demonstrated that such is the fact - that all endeavors to embody benevolence into law, and thus impiously as it were to effect by human laws what the Author of the system of nature has not effected by his laws, must be abortive - that

this ignorant struggle against evil really enlarges instead of contracting the kingdom of evil.¹⁹⁹

Copleston's contribution to 'Christian Political Economy' represents in Waterman's estimation a "progressive problem-shift," a term first employed by Lakatos to describe a progressive, as opposed to degenerative, contribution to an established paradigm. In support of this contention, Waterman points to the disequilibrium monetary dynamics posited in the first of Copleston's two *Letters* and the natural right to existence advanced in the second. In the former case, Copleston provides a more compelling and empirically accurate explanation of poverty than that set forth by Malthus' in his final *Essay* while retaining the analytic structure of Malthusian theory. In the second case, he posits a natural right to existence, but does so once again within the confines of the Malthusian paradigm. In both cases, Copleston's contribution represents an improvement over what had gone before, explaining why poverty existed before the establishment of the Poor Laws and ameliorating the harsher and seemingly non-Christian implications associated with Malthus' 'preventive checks.' "In terms of their intellectual achievement, [his] two *Letters* to Peel," Waterman writes, "measure the high water mark of Christian Political Economy."²⁰⁰

1.8.6 Richard Whatley

In the years immediately following the publication of Copleston's two *Letters*, there developed a rift between the 'Philosophic Radicals,' which included such notable figures as Francis Place, Jeremy Bentham, James Mill, and others, and the orthodox Christian community. The philosophical views of the former group were derived, according to Waterman, from "a highly-seasoned mixture, repulsive to all save its devotees, of Benthamite utilitarianism, Ricardian economics and James Mill's puritanical hatred of the arts, with a strongly anti-clerical, even anti-religious bias."²⁰¹ Their vision of British society was that of a secular-minded, humanistic culture, and a libertarian economic system, and this they reasoned could be achieved through 'radical reform' of various British

institutions, including and perhaps especially the educational system. Not surprisingly their philosophical agenda clashed with the views and interest of other groups within British society, and it was only a matter of time before friction developed.

Opposition, however, did not arise immediately. During the early part of the century, many of those who adhered to the philosophical views of the 'new school of reform' found much to admire about Malthusian population theory, and until the early 1820s there existed an implicit alliance between Christian economists and their anti-religious counterparts on issues relating to political economy.²⁰² The views and opinions among the greater Christian community, however, were much different, and by the late 1820s Philosophic Radicalism and even political economy became increasingly viewed as hostile to all that was honorable and noble in British culture, including the venerable tradition and beliefs of the Christian church. Commenting on this development, Waterman writes:

By the mid-1820's, therefore, political economy was coming to be seen by many as uniquely associated with *Westminster* radicalism: and *Westminster* radicalism as characteristically anti-clerical, even godless. Political economy became tainted by association. As Godwin's *Political Justice* had largely neutralized the immediate ideological effect of Burke's *Reflections*, so thirty years later the hijacking of political economy by the 'Philosophic Radicals' eclipsed for the time being the efforts of Sumner and Copleston to reconcile the new science with orthodoxy.²⁰³

It was this concern which motivated the efforts of the Anglican clergyman Richard Whately. Whately, who, according to Waterman, "ruled the roost" at Oxford during much of the 1820s,²⁰⁴ sought to reassure his Christian colleagues that it was not political economy that they should fear, but rather a co-opting of the science by non-Christian economists. The analytical structure of economics was, at least from the standpoint of social control and inculcation of Christian values, essentially neutral. What was important, however, was the political and social influence granted to its leading practitioners, and it was this influence which most threatened the prevailing social order. In his *Letters on the*

Church. By an Episcopalian (1826), Whately writes that 'there were signs that in the near future the State could be dominated by forces hostile to the Anglican establishment.'²⁰⁵

The antipathy directed toward the new science by more traditional thinkers did little, however, to change this. In fact, unreasoned opposition afforded the 'radicals' the very thing they desired most: sole control over the science and influence far exceeding their numbers. In a letter written in 1829, Whately writes:

Religious truth appears to me to be intimately connected, at this time especially' with political economy. *For it seems to me that before long, political economists, of some sort or other, must govern the world...* Now anti-Christians are striving very hard to have this science to themselves, and to interweave it with their own notions. (Waterman's italics)²⁰⁶

To forestall such a possibility Whately delivered his *Introductory Letters* in 1831, a lucid account on the respective claims of economic science and Christian theology and the epistemological distinction which separates these two bodies of knowledge. Whately's strategy, according to Waterman, was to wage "war on two fronts," convincing the 'Philosophic Radicals' that religion, similar to any other philosophical view, represented a valid normative position and that it did not by itself threaten the intellectual integrity of the science. He had to also convince the "lay Tories, romantics, and disillusioned legislators" that political economy was neutral with regard to British culture and the Christian church. The former task was essential if Christian economists were to maintain a high profile within the discipline, and this was important lest Christianity and Christian values become increasingly viewed as obstructionist and irrelevant to modern social discourse.²⁰⁷

In responding to the first of these two groups, Whately had to demonstrate that political economy did not contain the information necessary to inform policy decisions. Additional value premises were necessary and utilitarian principles did not provide such a basis. This was not only true of the Godless utilitarianism advanced by the 'Philosophic

Radicals,' but Paley's utilitarianism, which relied heavily on natural theology and was predicated on the existence of God.

Utilitarianism, argued Whately, had to be grounded on some absolute 'moral sense' or notion of good or evil. Otherwise, it would necessarily lack the standard by which individuals could assess the validity of their subjective valuations. Bentham's reliance on pain and pleasure says nothing about the relative valuation which should be placed on either, and in the presence of limited knowledge the individual is in no position to make such a judgment. Paley's version of utilitarianism also lacked such an absolute standard, and, at least from the standpoint of practical application, was no better than that advanced by Bentham. The similarity, however, is more apparent than real: whereas Paley's utilitarianism could be easily rescued through the addition of a absolute theological standard, Bentham's denial of God precluded any such possibility, being devoid of a basis for making subjective valuations of utility. The latter of these two systems, writes Waterman, "can afford no information about what ought to be in public affairs; and his advocacy of political economy in policy formation is at best unhelpful and at worst a mere fraud."²⁰⁸

From a contemporary perspective, Whately's insightful critique could be considered an important if not significant contribution to the development of economic thought. At the time, however, Whately was under no great illusion concerning his influence on the radical philosophers, and the greater part of his *Lecture* was directed towards the "high Church men - of the learned and cultivated kind .." These, Waterman writes, were Whately "natural allies" and it was "essential to convince them that the objections brought against the new science by romantics and obscurantists could be met."²⁰⁹

To achieve this end, Whately thought it necessary to dispel the belief that political economy was hostile to religion, and this he reasoned could be accomplished by explicating the purpose and nature of the science. Political economy, he argues, is useful from both a practical and theological standpoint: affording society with the information it needs to best accomplish the task at hand and providing religious scholars with much needed

testimony concerning the wisdom, goodness, and purpose of the Creator.²¹⁰ Political economy, Whately further argued, concerns itself with wealth, and this in no sense implies a lack of virtue. Wealth has always been the proper focus of the discipline and those who perceived this as being somehow ignoble fail to understand that national wealth is 'good,' that a desire to acquire personal wealth and emulate others in doing so is morally neutral, and that poverty or a lack of wealth does not imply virtue, but 'a love of sluggish torpor and present gratification.'²¹¹ Finally, Whately considered it necessary to reaffirm the claim of 'Christian Political Economy' concerning the importance of property rights. This, he believed, was necessary and sufficient for the division of labor, the primary factor underlying economic growth and the prosperity of nations.²¹²

Among the arguments made by Whately in behalf of the fledgling science, none was more important than that concerning the epistemological distinction between "'secular knowledge' or knowledge of nature and 'sacred knowledge' or knowledge of God." While acknowledging that neither type of knowledge is mutually exclusive, the intersection between the two being natural theology, the mode of inquiry applicable to each is necessarily different, scientific knowledge being established on the basis of 'proper evidence' and theological knowledge being ultimately informed by 'Faith.' For this reason, 'Scripture is not the test by which the conclusions of Science are to be tried,' but rather is 'to reveal to us religious and moral truths.'²¹³

Scripture, on the other hand, should play an important role in the development of public policy initiatives. Economic analysis must be guided by some notion of what ought to be, and Scripture, by way of value axioms, is no less relevant in this regard than any other normative belief system. In advancing this argument, Whately was making a distinction between means and ends, or what we now refer to as positive and normative economics. While economics necessarily presupposes some notion of what ought to be, it does not necessarily follow that objectives so constituted will be implemented in the most efficient or best way possible. The means by which to *achieve* a normatively determined objective

lies within the realm of political economy, and it was this function and this function alone which defined the scope and purpose of the science. Information or knowledge not of this type lies outside the domain of the science and should be considered somehow distinctive or different from the former. It was Whately, Waterman informs us, who first made this distinction, a contribution which by way of his one time understudy Senior eventually became standard economic fare.²¹⁴

For some unknown reason Whately neglected the role of scarcity in his discussion on the scope and nature of economics, preferring instead to concentrate on wealth. By the time he had written his lectures both wealth and Malthusian population theory had been successfully incorporated into the work of Ricardo, West, Sumner, Copleston, and, of course, Malthus. Aware of these writers, Whately may have "intended to deal with diminishing returns and scarcity in his second course of lectures," an opportunity which never availed itself; or "thinking that Oxonian opinion regarded Malthus' 'ungodly theory of population' as 'one of the pillars of the Ricardian system' which they detested, .. [he] felt it inexpedient to give it any prominence in his exposition."²¹⁵

Similar to Copleston, Waterman views Whately's contribution to 'Christian Political Economy' as an improvement over what had gone before. Copleston, it should be recalled, improved upon Malthusian population theory, demonstrating that the Poor Laws were an ineffectual remedy to the poverty caused by macroeconomic disequilibrium. Whately, in similar fashion, corrected the deficiency associated with Paley's *Natural Theology*, identifying the Butlerian assumption of a 'moral sense' as a necessary and sufficient foundational premise.²¹⁶

Yet, in the final analysis, it was not their economic or theological contributions which made Copleston and Whately so important to "the story of Christian Political Economy," but rather the "sanction of respectability [their contributions] conferred upon ... ideas during the last decade of the *ancien regime*." "For new ideas," Waterman declares, "must make their way in society like new aspirants to patrician status, depending at least

as much upon the accidents of patronage and fashion as upon their intrinsic merit and potential usefulness." As leaders at Oxford, a place where "all new ideas must pass before they could be assimilated into official ideology," both Copleston and Whately were ideally situated to effect just such a change, enabling "Christian Political Economy to pass through the filter and enter the mainstream of respectable opinion."²¹⁷

1.8.7 Thomas Chalmers

The final contributor to early 19th century 'Christian Political Economy' is the Presbyterian clergyman Thomas Chalmers, a prolific writer, powerful orator, and influential member of Parliament. Chalmers' influence on early 19th century Great Britain far exceeded that of Whately, Copleston, Paley, and Sumner, and, with the exception of Malthus, is the best known writer to contribute to that brief but influential school of thought known as 'Christian Political Economy.'²¹⁸

Much has been written on Chalmers economic thought, and perhaps owing to his substantial influence on early 19th century British politics and his unflinching support for the establishment of a state supported church, both conservative and leftist Christian thinkers have claimed him as one of their own. This has led to considerable contention as to where Chalmers stood on the issue of church and state and, more importantly, on the issue of Christianity and economics, with writers such as Brown arguing that Chalmers held to a communitarian view of English society and writers such as Hilton and Waterman arguing that Chalmers' thought essentially affirmed the capitalist institutional structures of his time.²¹⁹

Until recently, the paternalistic view has been the more prominent of the two interpretations. Christian socialists in England and leaders of the 'social gospel' movement in America relied on elements of his thought to support their positions, and as recently as 1982, Steward J. Brown, has argued that Chalmers' many endeavors as economist, statesman, pastor and religious leader can only be understood in terms of his life long struggle

to establish a 'Godly commonwealth.' Communitarian in emphasis, Chalmers' social vision, according to this view, was not unlike that advocated by early Calvinist reformers, arguing that small, decentralized agrarian communities should replace large impersonal cities, and economic organization and distribution should reflect the social and religious aspirations of all members of society, not simply the privileged few.²²⁰

'His purpose,' Brown contends, 'was ultimately to subsume economic individualism in a parish communal ideal, and control industrial development for the elevation of the laboring orders.' This would be accomplished through 'Christian discipline, [where] people would learn to live in unison, sharing nature's bounty for the common welfare, *suppressing usury and mandating a 'fair price' for goods and services*, practicing benevolence towards the sick and indigent poor, and cultivating their spiritual moral and intellectual natures to the service of God' (Waterman's italics).²²¹

Waterman takes issues with Brown's assessment, especially his interpretation of Chalmers' views on usury and prices. While Chalmers was indeed an opponent of Whig faith in *industrial expansion*, he was not opposed to Whig faith in *economic individualism*. As a classical economist, economic individualism represented an instrumental and undeniable part of Chalmers' Godly commonwealth, and while he favored measures designed to improve the economic condition of the poor, all such measures were to be accomplished through a modification in people's behavior and not, as suggested by Brown and others, through changes in the prevailing economic structure.²²²

In support of this contention, Waterman traces the development of Chalmers' economic thought from his first and most important work *An Inquiry into the Nature and Stability of Natural Resources* (1808) to his Bridgewater Thesis published over two decades later. While not particularly well received, *Natural Resources* demonstrates in Waterman's words "an almost complete understanding of the 'sophisticated' model of population equilibrium latent in the *Essay*, and is the first substantial attempt to consider the impact of Malthusian theory upon the economic analysis of *Wealth of Nations*."²²³

It was an analytical structure Chalmers elaborated on but did not significantly depart from in his later economic writings. In his *The Influence of Bible Societies on the Temporal Necessities of the Poor* (1814), Chalmers argued that the funding of Bible Societies represented an expedient use of funds through its highly favorable effect on moral virtue and population growth. A similar theme is developed in his "Causes and Cures of Pauperism" (1817), and from the first volume of his *Christian and Civic Economy* (1821) to the publication of his Bridgewater Treatise (1833), Chalmers relied on Malthusian population theory as an "important element in the ideological defense of the *ancien regime*."²²⁴

It was Chalmers' forceful arguments on various issues relating to the poor and the role of the church in British society which accounts for the paternalistic interpretation so often ascribed to his thought; and this, Waterman declares, is unfortunate, for as a classical economist Chalmers was a brilliant if overlooked contributor to the "'canonical classical model of political economy' which appears when *Wealth of Nations* is modified by the Malthusian insight of diminishing returns to population."²²⁵ Where Chalmers faltered, however, was the application of classical economic theory to church establishment, and it was this latter endeavor which cast a pale over much of his economic and social thought.

Succumbing to "the most outrageous, most heroic example of the 'Ricardian vice' ever attempted,"²²⁶ Chalmers sought to demonstrate through Malthusian theory the economic necessity of establishing a state funded national Church of England. Premised on Malthus' 'principle of population,' Chalmers argued that a permanent increase in real income could only be accomplished through a desire on the part of the poor to have fewer children. It was further argued that such decisions are of a fundamentally moral nature and, as such, are predicated on a knowledge and acceptance of Christian morality. If society had any hope of realizing lasting long-term gains in real income, it would have to promote the Christian virtue of self-restraint, and this could only be accomplished through

government funding of an officially sanctioned state church - privately funded religion being inadequate to effect the requisite change in moral virtue.²²⁷

Chalmers thesis was met with immediate and widespread criticism. The *British Civic*, "the only major periodical to welcome his support of church establishment," thought that his arguments were 'pushed too far,' and even his longtime friend and supporter Thomas Malthus was careful to distance himself from some of the more unpopular conclusion drawn from Chalmers reductionist approach. "Critics such as M'Culloch were less restrained." Chalmers' thesis, M'Culloch argued, was premised on the assumption that 'population is instantaneously, or at least very speedily, adjusted to variations in the supply of food and other accommodations.' Such an assumption is clearly not justified, and in its absence any change resulting in an increase in real income, including but not limited to moral restraint, would engender the 'transformation in taste and character.' Church establishment was, in short, a redundant waste of economic resources.²²⁸

Other no less compelling criticisms were directed at Chalmers' economic ideas, and while his response to M'Culloch was according to Malthus 'most important and completely victorious,' "the near unanimity of criticism had," in Waterman's words, "... its effect." "Though bishops and peers and at any rate some Oxford divines received him with enthusiasm six years later, the political economy of church establishment was a dead issue among the well-informed by the end of 1832."²²⁹

Chalmers' less than successful efforts to promote church establishment through political economy as well as a number of the other rather novel ideas has given rise to the belief that his economics was fundamentally different from that propounded by the secular classical economists of his day, combining elements of both theology and economics. Yet, as Waterman points out, if this be the case, the epistemological distinction between economics and theology first advanced by Whately would be seriously undermined, and it was this distinction more than any other which provided 'Christian Political Economy' the

argument it needed to defend the *ancien regime*. Waterman writes:

For if economic theory be sensitive to the theological beliefs of its practitioners, then Whately's sharp distinction between 'scientific' and 'religious' knowledge is undermined. The scientific pretensions of modern economics are founded upon that supposed dichotomy. And the account I have presented in this book of an ideological alliance of Christian theology and political economy can only be coherent if the two disciplines are believed to be epistemologically distinct.²³⁰

Chalmers views on the nature of wealth, his view of the church as merely that of a "machine for the disseminating the gospel,"²³¹ and his popular style of writing has led some writers to a much different conclusion, arguing that his economic thought was indeed infused with and contingent upon his theological beliefs. Waterman, however, provides three reasons why such an interpretation is invalid. First, and perhaps most importantly, the analytical framework of Chalmers' economics was set forth in his *Natural Resources*, three years before his evangelical conversion, and very little of analytical significance was added subsequent to this work. Second, the self-described 'chief peculiarities' of Chalmers' economic thought as noted in his 1824-5 manuscript and the Appendix to his *Political Economy* contain no mention "of the effect of an inordinate 'affection for riches' in propelling the economy into a self-correcting business cycle." Finally, the economic analysis of Malthus and Chalmers did not differ from that of the 'New School' by as much as either they or their contemporaries supposed." As demonstrated by Samuelson in 1978 the Malthusian correction to Smith's *Wealth of Nations* gave rise to the 'canonical classical model of Political economy,' an orthodox body of thought, which apart from the Malthus' heterodox views of a 'general glut,' places Malthus, Chalmers, Ricardo, M'Culloch, and Mill within the same school of economic thought. "Malthus and Chalmers - and for that matter Sumner, Copleston, and Whately," Waterman concludes, belonged to the same conversation as the Philosophic Radicals"²³²

1.8.8 The *terminus ad quem* of Christian Political Economy

"Chalmers' Bridgewater Treatise [1833]," Waterman writes, "is the *terminus ad quem* of Christian Political Economy." From 1833 on, Chalmers was increasingly engaged in ecclesiastical politics, and despite and continual outpouring of works pertaining to theological and social issues, "he wrote no substantial work of any consequence for Christian Political Economy in the last fifteen years of his life."²³³ The year 1833 also marked the death of the school's principal proponent Thomas Malthus. Copleston accepted an appointment as Bishop of Llandaff in 1827, Sumner an appointment as Bishop of Chester the following year, and Whately an appointment as Archbishop of Dublin in 1831. Whately maintained an interest in political economy, but his contributions "added nothing of consequence to Christian Political Economy."²³⁴

From this it appears that more pressing concerns prompted Copleston, Sumner and Whately to disengage from the economic work which occupied much of their attention during the previous two decades. "It is, nevertheless, difficult to imagine," Waterman writes, "that three such vigorous and powerful thinkers as Copleston, Sumner and Whately, however busy, would altogether have given up the task of relating the new science of political economy to Christian theology had they still believed there was much left to be done." In fact, there was little left to accomplish. The ideological necessity of defending the *ancien regime* was no longer necessary; the relevancy of their arguments had diminished significantly in the rapidly changing world of the 1830s and 1840s; and, finally, the economic arguments they propounded were largely successful in accomplishing the task at hand, representing, at least in their estimation, a complete analytical framework for defining the appropriate relationship between church and state and theology and economics.²³⁵

Waterman identifies this last and final reason as the "first and original purpose of this book...to disturb, and if possible exorcise once and for all, Tawney's banefully influential view that 'the social teaching of the Church ceased to count' in the period in which I

write 'because the Church itself had ceased to think.'²³⁶ Tawney's criticism, Waterman informs us, simply reflects a fundamental misunderstanding of the changing nature of science and more importantly its relation to the church. From about the Third century AD through the Seventeenth century, Christian social theory owed "little or nothing to any systematic investigation of social phenomena," relying instead on "a meta-physical or theological view of the way human society has been constituted by God." The political and scientific changes which accompanied the enlightenment, however, changed this, placing scientific knowledge squarely on an empirical basis, and it was this latter change which prompted the writers who comprised the school of 'Christian Political Economy' to at first defend the *ancien regime* from the onslaught of Jacobinism and later to suggest a epistemological distinction that would prevent political economy from being co-opted for the atheistic purposes of the philosophic radicals.²³⁷

It was Whately's contention that the church did indeed have little to say with regard to the 'positive' core of economics, but this in no sense precluded a role for the church in the derivation of public policy. The 'positive' core of economic knowledge, he argued, is not sufficient to inform judgment concerning economic policy. Normative economic objectives are also necessary, and herein lies the economic role of the church: to pass judgment on the outcomes and objectives of economic endeavor and not on the process by which such outcomes occur. By making this distinction, Whately and the school of thought he represented placed Christianity squarely in the public forum, and did so without undermining the nucleus of economic science or estranging the church from secular scientific knowledge or discourse. The social authority of the church, Whatley argued, had to be circumscribed if it were to remain relevant in the age of science.²³⁸

Not all Christian thinkers, however, were prepared to accept this more limited view of the role of the church in society, and this appears to be the case with Tawney.

Waterman writes:

We may also see, therefore, why a Twentieth-century observer such as Tawney, perceiving the abandonment in the Seventeenth and Eighteenth Centuries of the churches' economic discipline, could be seduced into supposing that the social teaching of the Church ceased to count because the Church itself had 'ceased to think.'²³⁹

Yet, it was precisely because of forward-minded thinkers such as Malthus, Copleston, and Whately that the church did not cease to think, accepting, as did their more secular-minded colleagues, that scientific knowledge as first presented during the enlightenment represented a more cogent and accurate depiction of reality than did the theological view which preceded it. To ignore this truth would deny the considerable good made possible through science while accomplishing little other than to distance the church from the advances which were taking place with or without its' approval. The small but influential group of writers identified by Waterman were aware of this, and it was their efforts to forestall such a development which led them to advance a position opposite that advanced by Tawney and others. Whatever Tawney's motives, it is simply wrong, Waterman concludes, to assert that the 'Church itself had ceased to think.' and it was this error more than any other consideration which prompted the research effort culminating in his *Revolution, Economics & Religion*.²⁴⁰

1.8.9 Christian Political Economy and Waterman's Christian Economic Thought

While Waterman has not made an explicit effort to build upon the thought of these early 19th century Anglican economists, he, nevertheless, relies on the positions and argument they advance to support his own contentions concerning the appropriate nature and purpose of Christian economics. In his critique of Catholic social doctrine, he argues that a habitat view of the economy is much more in keeping with the functioning and objectives of a modern market economy than the organic view advanced by various Catholic pontiffs. In making this argument, he points to the system of thought first posited by Malthus,

Sumner, Whatley and others during the early 19th century which provided a theological defense of a free market economy, economic individualism, and unintended beneficence. In his "Social Justice, Economics and the Problem of Evil," he identifies the problem of scarcity as one of the most pernicious types of evil, demonstrates how a market economy ameliorates such evil, and argues that this outcome is in accordance with biblical doctrine of original sin, reflecting as it does the relationship between self-interest and the development of a market economy. The thought of Malthus, Paley, and perhaps even Sumner is notably evident in both of these arguments.

It is the positive/normative distinction first identified by Whatley, however, which has had the greatest impact on Waterman's Christian economic thought and his efforts to identify the appropriate relationship between Christianity and economics. Whatley argued that the knowledge afforded by Christian theology is of a much different nature than the knowledge afforded by economic science. Theological understanding is informed by either revelation as manifested in the Bible or through an interpretation of nature, or what is referred to as natural theology. In neither case is such knowledge scientifically verifiable to those who do not hold some measure of faith. Economic knowledge, on the other hand is of a much different nature, being verifiable at least in theory and acceptable apart from faith. Given this distinction, the knowledge afforded by one of these bodies of knowledge in no sense validates or invalidates the knowledge afforded by the other, nor is the method of knowing associated with either area appropriate to the other. There does exist, however, an area of economic decision making where the knowledge afforded by the positive core of economic science is not applicable, and it is with regard to this latter area, the normative domain of economics, that the values and objectives provided by the Christian faith are manifested.

While Waterman is less than candid concerning his own views on this issue, his Christian economic thought would seem to affirm this view. More importantly, much of what he has written on the nature of Christian economics revolves around this central

issue, representing as it does an enduring legacy to Whately's contribution to economic science and Christian economic thought.

1.9 Conclusion

Philosophical tradition reveals much about where a particular economist might stand on a number of issues. The philosophical heritage of Ely, Clark, Commons, Bemis, Andrews, Tiemstra and McKee, emphasizes a holistic view of society, a belief system evident in the institutional approach to economics adopted by these six writers. The position advanced by Carver, Heyne, Richardson and Waterman, on the other hand emphasize individual choice and personal responsibility as a decisive determinate, and not surprisingly these writers choose to emphasize these distinctive characteristics in their thought.

Other differences bearing upon philosophical tradition include the theological beliefs informing their thought; their audience and mode of communication; the issues they choose to address; the economic paradigm(s) they employ; their interpretation of Scripture; their views on social justice, equality, and ethics; and the policies and ideas they advance to achieve such ends. A second and no less important result is the apparent problems such dissimilar orientation poses to the more broadly defined subject of Christian economic thought. Issues of interest here include incommensurability of ideas, differing conceptions as to what Christian economics is or should be, apparent misunderstanding of opposing points of view, dissimilar interpretations of Scripture, and an inability to establish Christian economics as an identifiable body of thought. These issues will be addressed in the following section on social control and the final two chapters of this dissertation.

2. Social Control

In the foregoing discussion, it was established that Christian economic thought is closely related to philosophical tradition. One would expect such a result given the influence of social ethos, social specificity, prevailing modes of organization, economic

structures, etc. on the perceptions, knowledge, objectives, and methods of the Christian economist. What is not so obvious, however, is the influence these writers sought to have on the beliefs, motives, social ethos, institutions, legal and economic structures, and modes of economic behavior of society at large, and it is to this issue that we now turn.

In the introduction to Edward Alsworth Ross' book *Social Control*, the editors Julius Weinberg and Gisela and Roscoe Hinkle write:

Social Control posed the problem of social change for modern societies in general and for America in particular. It argued directly what many Americans at the turn of the century had only vaguely suspected: the crossroads America had come to an end, that the geographical frontier and agrarian culture of the Nineteenth century were disappearing or being superseded at in particular, that the *Gemeinschaft* of the countryside was being eroded by the forces of industrialism and urbanism, and the ideals of the past could be preserved only if existing sanctions and institutions were altered. It examined the problem of dynamics and proposed a solution for insuring orderly change in an industrializing and urbanizing society without abridging the freedom of society.²⁴¹

Ross wrote and worked during the same era as Ely, Commons, Clark, Bemis and Andrews. Similar to these writers, he was raised in a devout Protestant household; he studied in Germany and later under Ely at Johns Hopkins; he was adamantly opposed to *laissez-faire* and individualism, but, nevertheless, favored the idea of an American work ethic; he based his scholarship on the inductive approach, historical and social considerations, and moral purpose; and he took an activist position on a number of issues, a stance which eventually cost him his position at newly founded Stanford University.²⁴²

All of this is noteworthy, since it lends added meaning to Ross' views on social control, a concept relevant to an understanding of the motives, methods, and objectives which shaped the thought of the early 19th century economists considered in this study. America during the late 19th century was being transformed from a "small-scale, solitary, primitive, rural life to the large-scale differentiated complexity of the modern urban and industrial world."²⁴³ The natural unconscious way in which society was held together,

what Ross refers to as "natural order," was collapsing along with the relatively undeveloped social and economic structures upon which it reposed. Urban life "did not fit people to deal kindly and honestly by one another," and the depersonalization of social and economic relations provided "no adequate support for the sense of responsibility and duty that ensures social order."²⁴⁴ Society was in need of a new social order and this required "social control."

The individual, Ross argued, may be controlled by society as in the form of "social influence," or society may be controlled by the individual as in the form of "social control." The former takes such forms as "mob mind, fashion, convention, custom, public opinion, and the like." The latter involves intentional and purposeful social domination "which fulfills a function in the life of society."²⁴⁵ Social control can thus be viewed as an effort to maintain the interest of society over the interest of the individual. With the breakdown of long-standing and natural modes of social cohesion, this becomes necessary lest individualistic nonconforming behavior - crime, alcoholism, corruption, exploitation, etc. - threaten the well-being of others. The function of social control is to control such behavior.²⁴⁶

Social control, Ross further argued, is reflective: that is, it follows from rather than precedes evolving social and economic changes. It is also purposeful and intentional, being accomplished through social, legal, and institutional sanctions and reflects the efforts of a relatively small group of individuals. The objective is conformity and this is accomplished through control over public opinion, laws, beliefs, education, custom, religion, ceremony, art, rules of behavior, and a system of economic and noneconomic rewards and punishments.²⁴⁷

Insofar as Ross was a student of Ely and a friend and colleague of Commons, the question naturally arises as to whether or not such elements are evident in the thought of the early 19th century economists considered in this study or in the thought of any of the other economists under consideration. The answer to this question is not as easy or as

straightforward as one might surmise, premised as it is on the *degree* of influence exercised by these writers on various institutional and social structures, whether or not they engaged in such efforts in a conscious, purposeful way, or whether such considerations were simply an inadvertent consequence of their Christian economic thought. None of these questions can be answered in a precise or definitive way. It is, nevertheless, evident that many, if not all, of the writers considered in this study sought, at least in some sense, to influence or reshape society through their thought, and it is worth considering how they went about this task.

2.1 Social Control and the Christian Economist

Social control can be classified as active control or passive control. In the former case, the writer advances specific policy measures in an effort to modify or alter prevailing modes of behavior, ideas, social and institutional objectives, income distribution, economic relations, or intellectual inquiry. Passive control, on the other hand, may be defined as implicit or explicit endorsement of the prevailing socioeconomic order and all that it entails. In both cases, the economist is endeavoring to advance a particular social vision, and this necessarily implies a corresponding system of social and religious beliefs, institutional structures, or economic systems.

As an example of active social control, consider the Christian economic thought of the early heterodox economists Ely, Commons, and Bemis. These three writers were leading figures in the Social Gospel movement and together with other prominent leaders of the movement they sought to advance a broad array of economic and social policies designed to help the poor, promote economic justice, and instill a sense of cooperation and social harmony. This, they argued, could be best accomplished through a combination of Christian *praxis* and volunteerism; activist efforts on the part of the Christian church; and the Christianization of government, social and economic relationships, and academia. Andrews and Clark sought to advance much the same objective, but did so through the

advocacy of new forms of social and economic relations and organization, which, at least in the case of Clark, would eventually result in a total transformation in the prevailing socioeconomic order.

The two contemporary heterodox economists considered in this study, Tiemstra and McKee, also advance a set of policies which could be viewed as active control, albeit in a more scholarly, less activist way. In the case of Tiemstra, social control is implicitly reflected in the metaprinciple stewardship, which he looks upon as a guiding principle through which to effect a fundamental transformation in ideas, economic and social objectives, and institutional structures. Similar objectives are also evident in the thought of McKee who looks to the scholastic principle of economic justice, which has applications to all elements of the economy including economic policy, institutional structure, and economic behavior. All of the heterodox economists are in agreement that Christian social teachings hold an important place in the human, decision making process and that Christianity as a religion should be granted a more prominent place in society.

The orthodox economists considered in this study - Carver, Heyne, Richardson, and Waterman - concur that Christian social teaching should be a motive factor underlying social and economic behavior, but argue that such teaching should be manifested through the advancement of normative economic objectives, working through rather than in opposition to prevailing social, economic, and institutional structures. The economic system, they argue, is simply a compilation of individual decision makers, and economic and social redress, if it is required, should be accomplished at this level. Such decisions are, of course, a concern to Christians, determining as they do the general welfare of society, but it would be a mistake to conclude that such decisions can be reshaped or influenced through a modification of prevailing institutional arrangements. If people are to make the right choices, it is only through the adoption of the right objectives, and a transformation of beliefs at the individual level is the only effective means to accomplish this end.

Given this premise, the question naturally arises as to whether or not these latter economists are actually engaging in social control. Economic choice, it could be argued, is an essentially voluntary effort and, as such, is divorced from the type of coercive measures advanced by Ely, Clark, and Commons, and to a lesser extent Tiemstra and McKee. It should be evident, however, that economic choice is not always voluntary, especially when the options available to the individual are severely limited. A constrained set of options could even be viewed as exploitative, inducing the individual to make decisions which serve the interest of other individuals or society at large. On this basis, one can argue that economic choice is no less a type of social control than the more overtly coercive methods advocated by Ely, Clark, and Commons.

While the social Darwinist ideas advanced by Carver are the most notable example of this latter type of social control, elements of passive social control are evident in the thought of all of the economists considered, including the heterodox economists, who as a group are more critical of the injustice resulting from limited opportunity and unequal bargaining strength than their orthodox counterparts. Both McKee and Tiemstra emphasize the biblical imperative to work, which can be viewed at least in a very limited sense, as coercive. Waterman evokes the idea of a "natural rate of unemployment" to argue that what is viewed as injustice to some is simply a "voluntary" choice. Heyne concurs, but would add that policies designed to help the poor are ineffective because of poor choices. Richardson, who appears to be more sensitive than most about the potentially coercive nature of economic choice, predicates his thought on neoclassical economics, a paradigm which codifies, at least in the estimation of system, a system of unjust economic relationships. Finally, it should be noted that all of the economists considered in this study, including Carver, are aware of the potentially coercive nature of "voluntary exchange." Where they differ is the relative importance they attach to this outcome.

2.2 Social Control in the Thought of Thomas Nixon Carver and Richard Ely

In order to gain a better understanding of these two distinctive types of social control, the Christian economic thought of the Christian social activist Richard Ely is contrasted with that of the social Darwinist and American nationalist Thomas Nixon Carver. Both economists advanced a full-fledged social philosophy premised on "The Parable of the Talents," a biblical teaching which explains how three servants were rewarded or punished on the basis of their stewardship over their master's gold talents. Interestingly enough, Ely and Carver reach diametrically opposite conclusions as to the meaning of this parable, and from this posit strikingly different views of what they perceive as a Godly-ordained social ethos. Both economists relate their respective interpretations to the broader question of personal and social responsibility and from this to economic policies designed to reshape society. While generally limited to these two economists, the discussion suggest how social ethos, personal and social responsibility, and economic policy, considerations evident in the thought of the other Christian economists considered here, are tied to an overarching objective to reshape society or what may be viewed as social control.

2.2.1 Social Ethos

The "parable of the talents," Ely declares, sets forth the philosophical principles for a just and Godly society. It should be evident that all individuals, Christian and non-Christian alike, are not only called by the Creator to use their abilities to their fullest potential, but should be given every opportunity to do so. If this were not so then it would be clearly contradictory for God to issue a commandment and favor circumstances which prevent it from being fulfilled. This imperative, according to Ely, outweighs all other social and economic considerations, and anything which interferes with God's calling for each and every individual is sin. Sin, in this context, includes not only personal decisions which interfere with God's plan for one's own life, but decisions pertaining to the lives of others as well.²⁴⁸

What Ely is calling for here is a selfless ethos, one in which the fulfillment of God's will for each and every human being is or at the very least should be the primary objective of all worldly endeavor. This, Ely contends, is supported by the Bible, and anything short of fulfilling this objective stands condemned. Exploitative practices by this reckoning are deserving of condemnation as do practices which undermine one's own personal achievement. Examples of the latter might include alcoholism and tobacco consumption, sloth, or a misguided pursuit of wealth. Institutional structures which interfere with the ability of men to realize their potential also stand condemned. These might include slavery, serfdom, socially and economically fostered dependency, colonialism, cultural barriers to advancement, discriminatory practices, limited educational opportunities, or any other type of economic or social structural impediment which interferes with the individual's ability to support himself and his family, acquire the education and skills necessary for self-improvement, or limits his ability to engage in worship, fellowship, or other practices deemed important to the Christian life.²⁴⁹

The social ethos advanced by Ely was not unlike that advanced by a number of New England Congregationalist and Presbyterian churches during the 19th century. Mankind, according to this ethos, is a steward over God's creation and, as such, has a personal, social, and economic responsibility to care for one's self, one's family, one's neighbor, and God's creation. Ely's Presbyterian mentors would further argue that stewardship is to be carried out in a spirit of humility, doing all things not out of vain glory, but out of a sense of love and personal devotion to the Creator. At its highest stage of manifestation, the mature Christian will not act out of selfish or conceited motives, but will seek to emulate Christ in all matters pertaining to life, including social and economic endeavors.

It should be evident that both social philosophies have much in common. Both are premised on the belief that all men have a higher calling and that this calling will at times conflict with individual self-interest. When such a conflict arises all men, Christian and nonChristian alike, are to look beyond their own welfare to the greater purpose

established by God. This should be done both at a personal level where the "right" decision may and often does conflict with self-interest, and at a social and institutional level where prevailing laws, traditions, and authority are to be honored, but in no sense obviate man's responsibility to his fellow man. Both philosophies are premised on the common view that God desires all men to live a full and productive life, and that cooperation, sacrifice, and mutual regard for the welfare of others is necessary to accomplish this end.

Perhaps owing to this commonality in beliefs, Ely and his philosophical mentors both viewed human life as being inviolable, being premised on God's immeasurable love for all humankind. Human life, according to this view, has significance which can neither be denied nor measured in terms of human valuations, and it is this significance rather than the value placed on some individuals by other men which defines what is acceptable and unacceptable in the realm of social and economic practices. This view was certainly evident in the views adopted by a number of prominent Calvinists in the late 19th century, early 20th century,²⁵⁰ and it remains evident in the virulent pro-life attitudes of the more contemporary Presbyterian Church of America. Opposition in both cases is grounded on the same principle - a belief that human life is worthy of the respect and dignity bestowed upon it by the Creator, and that neither society nor its members have a right to violate this most fundamental of principles, even if done so out of ignorance or in accordance with long-standing traditional practices.

Ely took the argument one step further, maintaining that all men are divinely mandated to rise to their greatest potential. While Ely was less than explicit in this regard, the general thrust of his argument would seem to preclude any and all economic decisions which would threaten the survival or economic viability of others. If this were not true then by implication the achievement of some is conceivably desirable even if such actions limit the potential of others. Ely made no such allowance. All individuals, he argued, are under the same commandment, and no individual has the right to interfere with this most

fundamental of principles. This being the case, a price cannot be placed on an individual's life, neither is it appropriate to discuss economic alternatives premised on such a valuation. The normative objective outlined by Ely, not only ruled out the institution of slavery, but any and all practices which sacrifice the lives of some for the economic or social gain of others.²⁵¹

Carver's social ethos is predicated on a much different interpretation of the parable of the talents. The system of rewards and punishments evident in this age-old parable clearly mirrors the natural selection process which dominates all forms of life. Even a cursory observation of nature, Carver declares, demonstrates that life is a struggle for survival, and this is no less true for humankind than for lower forms of life. The ubiquity and presence of this system implies that God not only fashioned this universal system, but sanctioned it as well. The truth of this assertion is clearly evident in the parable of the talents, which clearly depicts the system of rewards and punishments associated with the productive and unproductive life.²⁵²

Carver's view on religion and social Darwinism has a tendency to evoke an elitist image of Christianity, similar in effect if not in theory to the doctrinaire view of neo-Calvinism popularized by Max Weber. Carver, however, was no elitist. There is no evidence in his socioreligious thought that certain groups are intrinsically superior to others. Whether or not an individual or group prospers or fails was not, in his estimation, a function of natural or God-given ability, but rather reflected the extent to which the individual or the group or nation to which he belongs abides by the laws of creation. If an individual, group, or nation should fail, it is not because of a lack of inherent capability, but because those who failed did not abide by the teachings handed down by a solitary teacher some two thousand years ago.²⁵³

In developing this thesis, Carver thought it necessary to deny the principle of self-preservation or the belief that all men are entitled to a right to existence. Observing that some individuals or groups failed to survive due to short-sighted or negligent behavior, it

seemed plausible to identify those characteristics most associated with the abundant life. This Carver did in a number of articles relating behavioral attributes to economic productivity. In *A Religion Worth Having*, however, he takes the classificatory schema one step further arguing that the behavioral patterns most associated with prosperity are to be found in the age-old teachings of Christ. To abide by such teachings is to live the abundant life; to do otherwise is to court disaster. Carver likens economic destitution resulting from poor choices to the unpardonable sin, and argues that those who fail to abide by God's commandments should and in fact do face the consequences recompensed to the reckless, unworthy servant. By implication this includes financial disaster, starvation, and perhaps even death.²⁵⁴

2.2.2 Social & Personal Responsibility

Not surprisingly, these two alternative social philosophies give rise to much different views on personal and social responsibility. Ely's view on personal responsibility is not unlike that advanced by other early heterodox writers who as a group were fully aware of the harmful consequences associated with irresponsible behavior. Sexual immorality, alcohol abuse, gambling, self-indulgence, marital infidelity, sloth, and other such sins would surely take their toll, and the Christian social reformer would have to address these issues in no less a decisive way than the problems associated with economic injustice. Unlike Carver, however, who argued that such behavior should be eliminated through an austere process of natural selection, Ely argued that the Christianization of society and all that it entailed offered the best long-term solution to personal sin.²⁵⁵

Carver, on the other hand, adopts a much different view towards personal responsibility, arguing that efforts to redress poor choices do more harm than good. Poor choices impose cost on all of humanity not simply those who engage in such practices, and society stands little to gain if those who live the unproductive life are not held accountable for their actions. Unproductive behavior is clearly condemned in the Bible, and if an individual

or group of individuals should fail to survive, it is not because of a lack of adequate resources at the local, national, or international level, but because of wrong choices.²⁵⁶

Unlike Ely's system, the position Carver is advancing here makes a distinction on the basis of culpability. Whereas society is not morally bound to ameliorate the consequences brought about by poor choices and irresponsible behavior, it would appear that society does have a responsibility to assure the survival of those who fall victim to circumstances beyond their control. This might include earthquakes, floods, plague, pestilence, or other types of natural disasters not caused by personal or collective choice. It is not clear where Carver would stand in the case of life threatening situations such as famine brought about by overpopulation. Indications are, however, that he viewed such occurrences to be a result of collective irresponsibility, and, as such, unworthy of external assistance, an argument not unlike that advanced by the Anglican clergyman, Thomas Malthus.²⁵⁷

Ely, on the other hand, makes no such distinction. All individuals, according to his system, have a responsibility and a right to fulfill their potential here on earth, and this implies among other things a responsibility towards others. The talents referred to in the parable of the talents include not only an ability to be productive, but an ability to assure one's own well-being and the well-being of others. Ability implies responsibility and a failure to take concerted action in the presence of social evil which threatens the well-being of others is sin. Beyond this, society should take whatever measures necessary to allow each individual to live the productive life. This includes a moral obligation to provide all human beings, or at the very least all Americans, with an opportunity to fulfill God's commandment, and to do otherwise is to flaunt divine authority, placing the objectives of the state and the individual above the designs of the Creator.²⁵⁸

The distinction here says a great deal about how Ely and Carver viewed personal and social responsibility, with Carver favoring an individualistic, disaggregated approach towards social welfare, and Ely a collective, organic approach. In Carverian thought,

neoclassical economics is wedded to a type of individualistic decision making framework wherein aggregate economic results reflect the sum total of personal economic decisions. Society is the sum of independent economic agents, income distribution is determined by relative factor scarcity, and apart from this latter consideration the economic well-being of the individual is determined by the economic choices he makes. Ely, on the other hand, adopted a much different view. Society, he argued, is organic in its nature, consisting of numerous relationships which determine, define, and express the wishes and desires of its members. Institutional and social structures, historical and cultural developments, relative bargaining strength, and other considerations, jointly determine the economic circumstances of the rich and poor alike, and an improvement in the economic well-being of some necessarily requires a collective response from all.

Finally, the philosophies advanced by Ely and Carver differed in terms of their redemptive characteristics. It is a fundamental tenet of Christianity that those who accept Christ are "justified." Not only are sinners not held accountable for their sins, it is in the eyes of God as if they never sinned. The past is wiped away, and all Christians are offered a beginning as "new creatures in Christ." Ely's interpretation appears to offer the economic counterpart to this Christian tenet. While sin and poor choices may and often do lead to irreversible consequences, Ely's system argued in favor of a fresh start. The past does not obviate justice, and what is important is that each individual be granted an opportunity to be the most he can be at any given place in life. While Ely did not develop this idea fully, economic redemption appears to be fully congruent with his interpretation of the doctrine of the talents.²⁵⁹

Carver's philosophy, however, makes no such allowance. Poor choices, Carver argued, limit an individual's options in the future, and this is as it should be lest the resources of this world fall into the hands of those who are least able to manage them. This is what is taught in the parable of talents, and it only makes sense that scarce economic resources should be managed by those with a proven track record of accomplishment. The concept

of economic redemption takes place through the law of nature, and to violate this law is to jeopardize the welfare of a nation or society for the sake of individuals who deserve no such favor. Beyond this, it is not in the interest of society that individuals who make poor choices should prosper. Indeed, one of the fundamental principles of natural selection is that those who cannot compete should be selectively eliminated. To prevent this outcome is to violate a fundamental Christian tenet, placing those Christians who abide by God's commandments at risk. It is not only inefficient to entrust social and economic laggards with the scarce resources of society, it is immoral as well. This does not mean that individuals who have made past mistakes should continue to engage in such practices, only that the opportunities which were previously available to them should be denied. The concept of economic redemption is severely constrained in the Carverian scheme of thought.²⁶⁰

2.2.3 Economic Policy and Social Control

The diverse views on social ethos and personal and social responsibility advanced by Ely and Carver are reflected in the economic policies they advance for society, and it is here that the role of social control becomes most evident. It was Carver's contention that economic systems and institutional structures will either hinder or facilitate the long run survivability of peoples, groups, and nations, and whether or not they stand or fall will be determined by the effectiveness of such structures in accomplishing this task. While acknowledging that exploitative economic structures represent a very real and significant problem, one gets the impression that economic injustice is more a symptom than a cause of human distress. The real problem, according to Carver, is scarcity, and it is this problem more than any other which needs to be addressed if humankind has any hope of rising above the wretched conditions in which it finds itself. An overabundance of labor and lack of physical and human capital impoverished the masses, and any improvement in the condition of the poor would necessarily require more of the former and less of the latter.

This, in Carver's estimation, represented a permanent solution to humankind's most irksome problem, and he never tired of advocating policies to accomplish this end.

The emphasis Carver places on relative factor scarcity reveals much about his political and social agenda. He did not support the interest of the rich over the poor. He argued frequently on behalf of the working class, and it was his fervent desire that all Americans should prosper. In keeping with this view, he advocated a highly competitive socioeconomic structure and a sober-minded, almost austere attitude towards work, savings, and universal education. Such behavior would benefit rich and poor alike, and was in keeping with his objective for a strong, cohesive, independent American republic.²⁶¹

Despite the rather sympathetic position he adopted towards the poor as a class, Carver was adamantly opposed to policies which would provide short-term relief to this class at the expense of a long-term productivity. Similar to Heyne and Waterman, he opposed any and all policies which diminished thrift, hard work, and a sense of personal responsibility. The hard-working, sober-minded Indiana farmer who spent little on frivolous consumption, worked out of a sense of devotion to the land, to his heritage and to his family, and bequeathed his knowledge and expertise to his progeny, offered the best hope for America. While Carver was certainly aware of exploitative economic practices, these he perceived as being more a symptom of the more profound problem of wants exceeding the capacity of society to supply such wants, and given this belief he chose to focus almost all of his attention on efforts designed to ameliorate this problem.²⁶²

Perhaps owing to this belief, Carver, unlike Ely, did not devote a great deal of attention to the more traditional issues normally associated with economic injustice. In a very real sense, the economic ends in Carverian thought justified the economic means. While personal and institutional exploitation were regrettable, the solution was not to be found in legal codes, mandates, rules, provisions, policies or anything else which did not address the more fundamental problem of comparatively low real wages. The structure of society, Carver appears to be suggesting, follows rather than precedes its productive

capability, and this in turn is dependent on a strong work ethic, frugal living, and an almost religious devotion to one's work and economic endeavors. This he thought was essential if the poor were ever to gain true economic freedom and prosperity. The alternatives made possible by a high and rising real wage rate would obviate or neutralize the legal and institutional structures limiting human potential.²⁶³

This emphasis explains Carver's conflicting views on the welfare of the poor and institutional structures which contributed to their condition. Consider the position he stakes out on unequal bargaining strength. In one instance, the rich are excoriated for pursuing open immigration policies which enhance their bargaining strength vis-a-vis the poor.²⁶⁴ In another instance, he argues that an unequal distribution of goods reflects a necessary element in God's system of worldly rewards and punishment.²⁶⁵ The apparent contradiction can be readily traced to the foundational elements of his thought, whereby an abundance of capital, hard work, ingenuity and a sober-minded attitude towards wealth assure a happy and abundant life for the rich and poor alike. In the first instance, an increase in the labor supply diminishes the lot of the poor while contributing little in the way to more productive society. In the second instance, the marshaling of resources by the more productive elements of society is a necessary perquisite for an abundant life. Anything less will undermine the national welfare, harming rich and poor alike. In both instances, Carverian economic policy is premised on an ends oriented approach to the economic condition - one in which issues of economic justice are assessed on the basis of the realization of a productive society.

Carver adopts a similar position with regard to international relations. The community or nation does not only have the right to press its advantage in its dealing with others, but a responsibility to do so. The process by which a particular group or nation becomes dominant vis-a-vis its weaker counterpart is a natural phenomenon, and to act in a way which denies this truth is to court social or political disaster. While Carver never explicitly sanctioned exploitative institutional structures, he was well aware that such

structures did in fact exist, and it was only through social and national strength that a nation or group could fend off foreign control and exploitation. This latter concern was probably the basis for his support of a philosophical agenda designed to strengthen and promote the interest of the American republic.²⁶⁶

Such policies are to be contrasted with the institutional reforms advanced by Ely. The parable of the talents, as interpreted by Ely, identifies any all practices which limit a person's ability to develop his talents as sin. This as we saw included personal sin, which at least in part was caused by a lack of education and social inculcation, and social sin, which was caused by an individualistic social ethos, unequal bargaining strength, and social and institutional structures which codified exploitative practices.

A solution to the former type of sin required a fundamental transformation in the nation's social ethos, and this he believed required the concerted efforts of the church and Christian middle class which would render its knowledge and services in an effort to help the poor. The church would also be instrumental in transforming the ideas and attitudes which engendered social sin. In the case of this latter type of sin, however, Ely thought that some measure of coercion would be necessary to overcome the opposition of recalcitrant special interest, and he looked to a Christianization of economic science, government, and society in general as a means to accomplish this end.

The church, according to Ely, was to be vested with important new social and economic responsibilities. Enlightenment thinking had significantly diminished the role of the church throughout the 18th and 19th centuries. This was more evident in Europe than in America, but even in America the diminution of the church as a social force did not go unnoticed. With the ascendancy of science and evolutionary theories, during the latter part of 19th century the threat of pluralism became all the more apparent, and if Christianity was to remain an important fixture in American life the church would have to establish a new standard of leadership, mobilizing the working poor as a political force to be reckoned with; providing instruction on how to live and function in an urban environment;

mobilizing voluntary support for the aged, sick, and unemployed; and instilling a sense of common purpose and fraternity among the brethren. This last consideration was viewed as being especially important, eliciting the support of the middle class as political allies of the poor and politically disenfranchised.²⁶⁷

The church was thus called upon to perform many of the functions commonly performed by government. It would attract professionals from all walks of life, providing the poor with the knowledge and power to lift themselves out of abject poverty and the middle class with the knowledge and ability to aid in this endeavor. The church would no longer be viewed as an apologetic instrument of the ruling class nor as a inconsequential vestige of a bygone era. It would have the power and authority granted by Christ, and it would use this power to serve the interest of all Americans, not simply the powerful few.²⁶⁸

The church, of course, was only one of several institutional structures Ely sought to marshal in an effort to advance a just and Godly society. The 1880s also witnessed the rise of the Social Gospel movement. Similar to the English Christian socialist movement some thirty years earlier, the movement's proponents rejected the philosophy of libertarian individualism and called upon the church and the body of Christian believers to take a more activist role on social issues.²⁶⁹

One of the more notable features of the Social Gospel movement was the support it garnered within the academic community. Clark, Commons, Ely, and Bemis were generally supportive of the movement and contributed numerous publications identifying the relationship between Christianity, the Church, and social and economic renewal. Religious scholars such as Lyman Abbot, Josiah Strong and Washington Gladden wrote and lectured extensively on the subject of social Christianity, and were well-known in scholarly circles. Both groups were well acquainted with each other, often worked in close cooperation, and were instrumental in the foundation of the American Economic Association - it is noteworthy that twenty-three of the association's charter members were clergymen.²⁷⁰

Given the close relationship between the Social Gospel movement and the relative influence of Christianity on American society during the latter part of the 19th century, it should come as little surprise that the movement placed a great deal of emphasis on social and political activism as a source of change. If the selfish, callous individualism characteristic of 19th century America was to give way to the compassionate, self-sacrificing individual extolled in the Bible, it would be at the behest of a well-organized concerted effort of like-minded Christians. Social and economic reform could proceed no faster than the social enlightenment of the general population, and as a leading proponent of the movement, Ely viewed it as his responsibility to facilitate this effort.²⁷¹

Those involved in the movement looked upon this responsibility as nothing less than the Christianization of America. Instilling a sense of social consciousness was one such function as were efforts to serve as a mediator between labor and capital. The movement was also actively involved in the instruction of socially responsive economic behavior, as an ameliorator of class hostility and social tension, as a promoter of fraternal cooperation in the production and consumption of goods, as a source of grassroots civic activism, and as a staunch advocate of progressive legislation.²⁷²

It is noteworthy that such efforts were not only designed to meet the needs of humanity, but also to reestablish Christianity as the focal point of American society. Anticipating the increasing secularization of American society, Ely sought to reinvigorate Christianity with a new sense of moral relevance and purpose. It had become evident that Christianity was losing the allegiance of the laboring classes, a very disturbing trend for a religion premised on the paramount importance of salvation. If such a trend was to be reversed, Christianity as a religion would have to exhibit a new found attitude of concern towards the poor. This could be best accomplished by adopting a generally progressive position towards the key social and economic issues of the day. To do otherwise would diminish the historic role of the religion as a leading force in American society, placing at risk an entire cross section of the American population.²⁷³

Leaders of the movement looked to the political process and government to advance an entire range of progressive economic policies. Political reform in conjunction with the mobilization of the Christian "majority" would make government responsive to the needs of the poor and laboring classes. Upon gaining effective control over federal, state and local governments, Christian men would be in a position to advance a series of key reforms. These would include stock market and financial regulation, currency stability, labor arbitration, factory safety, child labor laws, reasonable working hours, public sanitation, tenement housing reform, prohibition, control of monopolies and trusts, state supported care of neglected children, and the construction of public schools, parks and libraries.²⁷⁴

The political agenda as suggested here was founded on two distinct elements: civic duty and the Christianization of government. Civic duty, Ely argued, was the hallmark of a progressive state. Efficient and responsive government is contingent on the integrity and honesty of government officials. A government comprised of self-seeking and immoral individuals would almost invariably benefit the few at the expense of the many. Government service must, therefore, be motivated by a love of God, country, and humanity. Only then would the good of the country and its citizens take precedence over the machinations and special interest of the powerful few.²⁷⁵

The second distinctive concept was the Christianization of government. While opinions varied on this subject, a number of influential leaders in the Social Gospel movement, including Ely, concurred with Washington Gladden's view that government at all levels should be "Christianized." This did not mean that federal, state, and local governments should be reorganized as theocracies. This would be clearly in violation of the United States constitutional provision prohibiting the establishment of a state religion. What Ely and others had in mind was a political agenda whereby all governmental decisions would be made in accordance with Christian principles. Since this presupposes

Christian control of various legislative, judicial, and executive bodies of government, Christian political activism was viewed as a key objective of their effort.²⁷⁶

2.3 Conclusion

On the basis of the foregoing discussion, one may conclude that social control plays an important if little understood role with regard to the concerns, ideas, methods, and objectives of the eleven Christian economists considered in this study. An assessment of how or in what way this may occur is, of course, an immensely complicated endeavor, and what has been said here should be viewed as more suggestive than definitive. It is, nevertheless, evident that social control is closely linked to the social vision advanced by the eleven economists considered in this study, and through this vision to an assortment of ideas, methods, and approaches through which to influence human behavior, establish a social consensus, or alter or codify socioeconomic arrangements. Broadly defined, such efforts can be viewed as a type of social control, and as was demonstrated in the case of Ely and Carver, the means by which this is accomplished cannot be separated from the philosophical tradition in which they were apart.

The same can be said for the rest of the economists considered in this study, albeit in a different and much less obvious ways. Bemis and Commons, similar to Ely, sought to marshal the services of the church and Christian laymen in an effort to reform society and instill a sense of social purpose in the church. Clark and to a lesser extent Andrews exhorted the Christian laymen to support the adoption of legal and institutional arrangements designed to redress the wrongs of *laissez-faire* capitalism. Tiemstra stresses the importance of institutional redemption, arguing further that society is in need of a fundamental transformation in social and economic objectives. McKee introduces the idea of economic justice as a principle by which to guide economic behavior. Richardson looks to the medium of neoclassical economics as the best means by which to influence the ideas and objectives of society, and Waterman relies on early 19th century Anglican Christian political

economy to argue against the type of social ethos advanced by the Catholic church. Heyne invokes the idea of economic "rules" as an appropriate medium through which to advance the overall objectives of society. Finally, all of these economists either explicitly or implicitly advance the concepts of personal and social responsibility, concepts which have little meaning apart from the prevailing belief system which these economists hope to influence.

Such efforts have been the source of considerable conflict, placing Christian economists of ostensibly the same faith in opposition with one another with regard to issues which, at least on a superficial level, appear to have little relationship to Christianity. While the writer is not prepared to pass judgment on such issues, it should be evident that a resolution to such differences, or even an understanding of the positions adopted by the various participants requires some knowledge as to why such positions are held. One solution is for Christian economists to explicitly cite their normative objectives. But even here, misunderstanding is apt to arise given the dissimilar theological beliefs and social doctrines various writers bring to the fore. Some understanding of where such beliefs, doctrines, and methods arise would appear to be necessary, and the background knowledge provided in this chapter provides an important step towards accomplishing this objective.

Footnotes

- 1 Quoted from Everett, J.R., *Religion in Economics: A Study of John Bates Clark, Richard T. Ely and Simon N. Patten*. New York: King's Crown Press. 1946. p. 11.
- 2 *ibid.*, p. 16.
- 3 *ibid.*, p. 11.
- 4 *ibid.*, pp. 11-12.
- 5 Handy, Robert T., *A History of the Churches in the United States and Canada*. Oxford University Press: New York. 1977. p. 286.
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- 25 Chadwick, Owen, *The Reformation*. Middlesex, England: 1973 pp. 203-204.
- 26 "A Hessian captain in Pennsylvania wrote, 'call this war ... by whatever name you may, only call it not an American Rebellion. it is nothing more or less than an Irish-Scotch Presbyterian Rebellion.' Joseph Galloway, a moderate opponent of Parliament who eventually chose loyalty to Great Britain over colonial independence, wrote that the colonial insurrection was led by 'Congregationalist, Presbyterians, and Smugglers.'" *op cit.*, Noll p. 122.
- 27 Commenting on the this alliance Keith Hardman writes: "In their desires to keep the Christian message abreast of the times, and to present a united evangelical front for the conversion of America, both revivalistic Calvinists and evangelical Arminians thus came to almost the same formula: a gospel of God's grace that would strongly appeal to every morally responsible person. Then, as with Finney, both Arminians and Calvinists wished to draw each convert into a practical, pragmatic Christianity - to further the Kingdom of God on earth through specific projects and reform efforts. Since this fit the America spirit of activism, human cooperation with the Deity was readily directed toward social reform." *op cit.*, Hardman p. 166.
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- 35 *op cit.*, Noll, Hatch, and Marsden, p. 107.
- 36 *op cit.*, Noll, p. 163.
- 37 *op cit.*, Noll, Hatch, and Marsden, p. 107.
- 38 *ibid.*, p. 107.
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- 54 *op cit.*, Noll, pp. 382-383; *op cit.*, Gaustad, p. 207-208, pp. 298-300.
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- 57 *op cit.*, Noll, Hatch, and Marsden, p. 42.
- 58 *op cit.*, Ely, *Social Aspects of Christianity*, p. 187.
- 59 *op cit.*, Noll, pp. 373-374.
- 60 *op cit.*, Ely, *Social Aspects of Christianity*, p. 190.
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- 84 Richardson does not explicitly defend the positive/normative distinction as do Waterman and Heyne, but his support of neoclassical economics and the concomitant view that economizing behavior is an inescapable consequences of scarcity clearly corresponds to the arguments set forth by Waterman and others in defense of this distinction.
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- 90 The putative scientific status of neoclassical economics and its implications for Christian economics is explored in greater detail in chapter seven.
- 91 Schumpeter writes that there is a "historical alliance of utility theory with utilitarian philosophy" Schumpeter, J. *History of Economic Analysis*. London, 1954, p. 1056. This is essentially the argument set forth by those who hold to a postmodernist view of economics. Economic theory, according to this view, cannot be separated from the methodology, philosophical foundations, modes of discourse, ideas, beliefs, views of reality, etc. economist bring to their task. This issue is also explored in greater detail in chapter seven.
- 92 Milton Friedman and more recently Gary Becker are among the more notable economist to argue that "economic man" is little more than an analytical device. The argument, however, is not new. Commenting on the functional role performed by "economic man" John Stuart Mill writes: "Not that any political economist was ever so absurd as to suppose that mankind are really thus constituted, but because this is the mode in which science must necessarily proceed." John Stuart Mill, "On the Definition of Political Economy; and on the Method of Investigation Proper to It," written in 1831, first published in 1836. Reprinted in *Collected Works of John Stuart Mill*, Vol. IV. Toronto: University of Toronto Press, 1967, p. 321.
- 93 It is revealing that recent developments within macroeconomics and neoclassical economics appear to be moving away from the type of collective decision making sought by various Christian economists. For a discussion on the microfoundations of macroeconomics and reductionism see Nelson, Alan "Some Issues Surrounding the Reduction of Macroeconomics to Microeconomics," *Philosophy of Science*, vol. 51, December, 1984, pp. 573-94 and Woo, Henry "Scientific Reduction, Reductionism and Metaphysical Reduction," *Methodus*, vol. 2, 1990, pp. 61-8.
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- 95 The argument set forth here is central to the discussion set forth by Ely in *Social Aspect of Christianity*, Commons in *The Church and Social Reform*, Tiemstra in *Reforming Economics*, and McKee in *Economics and the Christian Mind*.
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- 245 *ibid.*, pp. xix-xx.
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- 248 Ely sets forth the "parable of the talents" argument in "Ethics and Economics" as part of the methodological discussion in *Science Economic Discussion* (1886). He equates a failure to abide by this principle to sin in his *Social Law of Service*. Ely, Richard T., "Ethics and Economics." Adams, Henry Carter et. al., *Science Economic Discussion*. New York: The Science Co., 1886., pp. 50-56; *Social Law of Service*, reprinted in Robert T. Handy (Ed.), *The Social Gospel*. New York: Oxford University Press. 1966. pp. 235-236.
- 249 *op cit.*, Ely, "Ethics and Economics." p. 52-53; *op cit.*, Ely, *Social Aspects of Christianity*. pp. 184-199.
- 250 This assessment is premised on arguments advanced by prominent Calvinist with regard to a variety of social issues pertaining to social reconstruction, God's sovereignty, social ministry of the church, crime, prison reform, prohibition, and ministry to the urban poor. See Smith, *The Seeds of Secularization*. pp. 141-156.
- 251 The conclusion here is derived from the emphasis Ely places on improving the well-being of all individuals as an objective of social and individual behavior. In *The Social Law of Service* (p. 224), for example, Ely is critical of all those who neglect an opportunity to lending a helping hand to others, an argument much more inclusive than that mandating the economic or physical survival of others.
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- 259 op cit., Ely, "Ethics and Economics," pp. 49-50; Ely, Richard T., *Social Aspects of Christianity and Other Essays*, New York: T. Y. Crowell, 1889, 74-79.
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- 262 Carver, Thomas N., "The Cure for Poverty" In Thomas Nixon Carver, *Essays in Social Justice*, Cambridge, MA: Harvard University Press, 1915, pp. 349-359; Carver, Thomas Nixon, "Socialism and the Present Unrest." In Carver, Thomas Nixon, *Essays in Social Justice*, Cambridge, 1915, pp. 287-290.
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- 264 op cit., Carver, "The Responsibility of the Rich for the Condition of the Poor," p. 381.
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- 271 op cit., Ely, "Ethics and Economics," p. 49; op cit., Ely, *The Labor Movement in America*, p. xii; op cit., *Ground Under Our Feet*, p. 72, 77; op cit., Ely, *Social Aspects of Christianity and Other Essays*, p. 147-148.
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CHAPTER 6

CHRISTIAN ECONOMICS THEN AND NOW

1. Introduction

Christian economists writing over a century earlier faced a much different religious, political, economic, and professional climate than today's writers, and it would be an extraordinary result not to observe a distinction in Christian economic thought for the two periods. In fact, a number of changes have been observed, changes which can be grouped on the basis of the evolving character of American religion, distinctive economic and political circumstances, the emergence of the neoclassical paradigm, and the marginalization of Christian economics.

2. The Evolving Character of American Religion

The first consideration bearing upon differences in Christian economic thought during the two periods involves a change in the religious practices and beliefs of American society. It is generally assumed that America is less religious now than it was during the 1880s and 90s - the time frame when Ely, Clark, Commons, Andrews and Bemis published most of their contributions on Christian economics, or the second decade of the Twentieth century, the time when Carver published *The Religion Worth Having*. One must be careful, however, about reading too much into such a claim. While less secular and more outwardly religious than now, late 19th, and early 20th century America was not the pious, religious society some have made it out be. Figures on church attendance are sketchy, but what seems to be evident is more of a transition away from 'mainstream' Protestant denominations during the ensuing century than a wholesale abandonment of religion or religious values. Contemporary American society is certainly more pluralistic and more secular than a century earlier, but it unclear to what extent it is less religious.¹

There is evidence, however, that the relative size of 'mainstream' Protestant churches has declined both in reference to the overall number of professing Christians and

as percentage of the total American population.² This is important for at least two reasons. First, the diminution in influence exercised by these denominations and the concomitant increase in secular ideas and opinions has greatly diminished any notion that American society can or even should be transformed through a grassroots mobilization of the Protestant faithful. Second, the increasing pluralization of American religious beliefs as reflected in the diversity of denominational affiliations among contemporary Christian economists tends to undermine the type of theological unity evident in the thought of writers such as Clark, Commons, Ely, and Bemis. Once again, however, it is important not to overstate such changes. While a similarity in theological views is not unimportant, it does not appear to be nearly as important as the position a particular Christian economist holds with regard to economic methodology or economic policy.

If there is an exception to this conclusion, it would probably be Carver. The theological position he adopted represents a major departure from the theological views held by all of the other economists considered, irrespective of the time frame. Yet, from what we know about American religious history, the theological views associated with his thought were not novel. Social Darwinism was a major force in late 19th century social philosophy and efforts to adapt Christianity to evolutionary theory was a recurring theme during the decades leading up to the publication of his *The Religion Worth Having*.³

In the years immediately following this work, however, attitudes began to change. What was once a more accommodating relationship between Christian theology and evolutionary theory gradually gave way to a polarized set of views, bordering on outright hostility. It would be safe to say that Carver's book would have been better received if published around 1900 and less well-received during the 1920s, a watershed period in the Christian debate on evolution.⁴ In any event, his thought is clearly out of step with more recent theological opinion, being too politically conservative for theological liberals and too theologically liberal for political conservatives. All of this would seem to leave

Carver's Christian economic thought intellectually isolated, unacceptable to all save those who lived during a relatively brief period from about 1880 to 1920.

The same cannot be said, however, with regard to the liberal theological views shared by Ely, Commons, and Bemis and less so by Clark and Andrews. The modernist theological position adopted by these writers is still evident in a number of mainstream Protestant churches and denominations. Not coincidentally, many of these same churches have adopted progressive positions on a number of key economic and social issues, reflecting perhaps the long-term legacy of the Social Gospel movement on American Christianity.⁵

None of the contemporary economists considered in this study, however, are members of these churches, and for this reason it is difficult to gauge the long-term influence of the Social Gospel movement on Christian economics. The Christian economic thought of Tiemstra and McKee comes closest to representing the economic views espoused by Ely and company, but these two former economists are from quite different religious backgrounds, rendering any such inference evidentially unfounded. The most that can be said is that there appears to be a relation between modernist theological views and Ely's brand of Christian economics, but it is unclear to what extent theological or denominational differences account for interperiod differences between the thought of these early economists and their contemporary counterparts.

There is reason to believe, however, that the views and beliefs of contemporary Christian economists are less contingent on the social views and doctrines of particular Christian denominations than was the case during the late 19th century. Much of what Ely and others wrote was directed at 'mainstream' Protestant denominations and for good reason: such denominations represented a vast network through which to influence public opinion, to implement social policy, and restore the communitarian social ethos these writers viewed as essential to the long run, well-being of the nation.⁶ Much has changed since then, however, and contemporary Christian economists seldom look to religious

groups or organizations as a medium of political mobilization or as an instrument through which to implement various social and economic policies. The audience Waterman, Heyne, Richardson, Tiemstra, and McKee now address is the economic profession and through this the American public in general.

The difference in audience has contributed to a different style and approach on the part of contemporary and late 19th century writers. Contemporary Christian economists unlike their historical counterparts seldom resort to the exhortative rhetoric, passionate arguments, and pleas for a common sense of decency and justice that one finds in the writings of Ely and others. The mode of communication in contemporary Christian economic discourse generally follows accepted scientific practices: all references and assertions purporting to be 'fact' are thoroughly substantiated and all inferences and arguments are either related to such 'data' or are theoretically supported. One seldom observes discourse or discussion on issues which transcend the more limited focus of Christian economics, and when such arguments are presented they are closely tied to the primary focus which is the relationship between Christianity and economic science. Finally, most recent studies on the subject of Christian economics are devoid of the type of exhortative rhetoric evident in the thought of early writers. When contemporary writers address Christian churches or denominational structures, the effort seems more oriented towards affording practical help and expertise to church leaders than fermenting a fundamental change in political and social beliefs.⁷

This is not to suggest that the arguments advanced by Ely and company were uniformly unscientific. Many of the quotations and arguments found in chapter two of this study were taken from professional journals, and when writing to other professional economists these, writers displayed no less concern for professionalism than their modern counterparts. But much of what they published was not directed at other economists, and it is here that we observe Ely, Clark, Commons, et al. as preacher, exhorting the faithful to take measures to thwart the injustice being perpetrated against the poor and politically

powerless.⁸ Contemporary Christian economists, in contrast, view themselves as economists first and foremost, and this orientation lends a decidedly ecumenical perspective to their thought.

3. Distinctive Economic and Political Circumstances

America during the late 19th century was a much different place than it is now. The nation was much poorer; people worked much longer hours, often under intolerable conditions; unemployment compensation, Social Security, and programs designed to help the poor were nonexistent; public education had yet to be universally established; and many families lived without such fundamental necessities as clean water or indoor plumbing.⁹ *Laissez-faire* was the predominant economic philosophy of the period, and a number of notable economists such as William Graham Sumner advanced an austere policy of social Darwinism which argued forcefully against policies designed to help those who perhaps through no fault of their own could only eke out a marginal existence at the fringe of society.¹⁰

Contemporary American society is much different. Modern Americans are not only much richer than their 19th century counterparts, but live longer, work less, travel more, are better educated, and blessed with a multitude of labor-saving devices. American political and social climate has changed as well, with governmental activity in the economy much more encompassing and entrenched than a century earlier. A number of local and national government programs have made life much less harsh for the unemployed, the aged, disabled, and poor. The environment is notably cleaner, working conditions are safer and less onerous, natural monopolies have been systematically regulated, antitrust policy has diminished monopolistic practices, and the days when powerful companies could exercise almost dictatorial power over their employees have vanished.¹¹

Despite such changes, many Americans, Christian and non-Christian alike, bemoan the social disintegration of American society, as witnessed by rising crime, climbing

divorce rates, mindless entertainment, illegal drug use, pornography, and the use of abortion as a substitute for birth control. While America is a notably easier and more pleasant place to live now than at any time in the past, this, at least in the estimation of some, does not necessarily imply a better life. Quality of life consists of more than simply material well-being, leisure, good health, and longevity. Human relationships and a Godly life-style and culture are also important, and it is a perceived failure in this latter area which has prompted many Christian economists to take issue with the direction and nature of American society.¹²

On the basis of such differences, one would expect to observe differences in the issues and concerns addressed by Christian American economists over the two time frames, a suspicion born out by the literature. First, there appears to be a much different sense of urgency between Christian economists now and then. Clark seemed to believe that the very survival of the American nation was threatened by class conflict, a threat made all the more real by communist agitation and a growing tendency towards violence. Social and economic inequality, exploitation, *laissez-faire* policies, and an individualistic social ethos contributed to this threat, as did an increasingly stratified Christian religion.¹³

The writings of Ely, Commons, Bemis, and Andrews exhibit a similar sense of urgency, as witnessed by the concerns and issues raised in their Christian economic thought. The issue of 'moral dualism' calls into question the then prevailing Christian social philosophy that religious practices are somehow separate and distinct from economic behavior. It was this philosophy which afforded well-to-do Christian businessmen the luxury of worshipping God on Sunday and exploiting their workers the rest of the week. The exploitation of labor, these writers maintained, is not sanctioned by the Gospel, and it was a failure to preach this message on Sunday which contributed to the class dissension evident throughout America. The Christian church had failed in its social obligation, and the Christian economic thought of these writers was directed in no small measure towards remedying this situation.¹⁴

Other issues bearing upon the social and economic crisis of the time include social disintegration as witnessed by the rise of alcoholism, gambling, crime, and sloth; an increase in economic inequality as exhibited by the indulgent life-style of the emerging industrial class; the wretched conditions of the urban poor; unemployment and the resulting psychological and social distress placed upon the indigent; unequal bargaining strength between employer and employee; maldistribution of wealth; oligopolistic market structure, overt collusion, and increased market concentration; intolerable working conditions; inadequate provision of public goods; and the emergence of the American labor movement.¹⁵ All of these problems could be addressed through economic policy, a consideration which induced these writers to eschew the apolitical stance advocated by orthodox economists in favor of an ethical approach whereby the economist serves as both scientist and political activist.

The contemporary Christian economists considered in this study are similarly concerned with economic problems, but the differences evident in their thought do not appear to be nearly as great as those which existed between say Ely, Commons and Clark, on the one hand, and Sumner and Carver, on the other.¹⁶ The former writers may disagree as to the extent of government intervention, but the vast majority agree that at least some intervention is applicable in the case of market failure or in cases where the very survival of the poor, sick, unemployed, or aged is in question. Few contemporary Christian economists would take a stand against environmental regulation, antitrust policy, the provision of public goods, occupational safety rules, or the right to organize. Where they differ is the extent to which such policies should be promoted, with more conservative economists arguing for as little government intervention as possible, and more liberal economists for an increased or more assuming role for government.¹⁷

Such changes reflect a fundamental transformation in public perceptions towards interventionist policies. Economic objectives have more or less coalesced worldwide, with practically all economically developed societies enforcing measures designed to promote

competition, protect workers and consumers, and improve the environment. Such policies have become increasingly well-established and accepted, and despite recent gains by the conservative wing of the Republican party and the recent popularity of market based solutions, one must assume that the recent proliferation of interventionist policies reflect by and large the will of the American people.¹⁸

None of this is lost on the economic profession in general or the growing cadre of Christian economists. While some economists such as Milton Friedman hearken back to the days of very limited government, most are quite content to tailor their economic theories and policies to the political reality of the day. It is perhaps this development which prompted Heyne and Waterman's to argue that what differentiates contemporary Christian commentators on the economy is the 'means' towards and not the 'ends' of economic policy. It is not normative objectives which differentiate Christian social and economic thought, all such objectives being roughly similar, but the best approach toward realizing common objectives, with some economists acknowledging the beneficial attributes of a market economy and others denying this putative truth.¹⁹

Finally, it may be argued that dissimilar economic and political circumstances present economists during both periods with a much different set of choices. The human suffering Ely, Commons, Clark, Bemis, and Andrews observed going on around them begged a solution, and short of the various economic solutions which would later grace the pages of professional journals, the only practical basis for solving the economic dilemmas of the day was Christian morality. Indeed, it was apparent to these economists that the injustice taking place in their midst was above all else a moral problem. Whether or not workers and the general population would eventually benefit from large-scale capitalism and *laissez-faire* policies was essentially irrelevant. The ends, they argued, did not justify the means, and policies which promise a better day to future generations, but at the cost of immediate suffering and exploitation could not and should not be countenanced.

Economic science and morality, for this reason, were necessarily inseparable. To accept the scientific status of classical economics implied the acceptance of *laissez-faire* and the economic injustice it appeared to sanction. Ely, Commons, Clark, Bemis and Andrews thus viewed their choice as either that of accepting the classical paradigm and acquiescing to the economic evil in their midst or rejecting the paradigm in favor of an ethical approach which judged economic relations on the basis of their moral acceptability.²⁰

Contemporary Christian economists face a similar choice: they can stay within the prevailing neoclassical paradigm or opt instead for a heterodox approach such as the institutional approach employed by Tiemstra. The similarity between the two periods, however, is more apparent than real. The economic problems of modern society besetting modern society are much less serious than those which existed only a generation ago, seldom placing the physical survival of individuals at risk. While it is difficult to say how contemporary economists would respond to a comparable set of problems, it would be safe to conclude that moral sensibilities are strongly correlated with the severity of the problem, and insofar as economic conditions are much better now than then, one would expect a comparable diminution in concern. Prevailing government policies also militate against such concern, ameliorating many of the more egregious problems Ely and others associated with unbridled capitalism. Together these considerations engender a much different orientation to contemporary Christian economics, tipping the emphasis more towards methodology and technique, and less towards the type of moral arguments which were evident one-hundred years earlier.

From the foregoing discussion, it would be reasonable to conclude that distinctions in economic and political circumstances account for at least part of the differences we observe in Christian economic thought between the two time frames. The economic and social problems of Ely's day are simply unlike anything encountered in America since the time of the great depression. To ignore this consideration diminishes the significance of

such differences as a explanatory factor, contributing to the erroneous view that differences in philosophy or economic theory fully explain why Christian economists over both periods hold to dissimilar positions with regard to economic policy. The distinction between economists now and then, however, is not nearly so well-defined, having as much to do with the peculiar problems associated with both periods as it does with dissimilar social philosophies or approaches to Christian economics.

4. Neoclassical Economics

Another important consideration bearing upon observed changes in Christian Economics over the past century is the emergence of neoclassical economics. Unlike classical economics which is comparatively limited in application and scope, neoclassical economics has expanded to the point where a number of formerly heterodox views have been systematically integrated into the body of putative economic knowledge. Market solutions are still viewed as the best approach to most economic problems, but no longer is *laissez-faire* looked upon as the solution to any and all economic problems. The problems associated with the market economy - noncompetitive market structures, public goods, social externalities, business cycles, etc. - have been well-documented, and the policies advanced as solutions to such problems have become part and parcel to mainstream economic science.²¹

This development has fundamentally altered the possibilities available to Christian economists. No longer must the economist choose between market solutions which are theoretically correct and unjust and nonmarket solutions which are theoretically incorrect and just. The Christian economist can now advance a set of policies designed to promote the general welfare and do so with the assurance that such policies conform to the accepted truths of economic science. Policies designed to foster income equality, improve public health and housing, assure competitive market behavior, eliminate unjust discriminatory practices, and increase the long-term earning power of the poor through the

acquisition of human capital are also readily adapted and theoretically supported by the paradigm; as are policies designed to foster social morality through taxes on alcohol and tobacco consumption, laws limiting consumer fraud and financial misrepresentation, etc. All of this has provided neoclassical Christian economists an assorted grab bag from which to foster the public good in the service of Christ.²²

The situation, however, was much different during the late 19th century. Classical economics and to a lesser extent preliminary developments in neoclassical economics simply did not accommodate the type of interventionist economic policies suggested above. Late 19th century Christian economists were forced to choose between *laissez-faire* or ad hoc interventionism, and lacking a theoretical basis for choosing the latter, they turned to an ethical argument. Anti-competitive legislation, public goods, environmental and occupational control, etc. were not viewed as undesirable because of market failure, a concept which had yet to be developed, but because of the moral imperative associated with remedying such problems.

Another apparent consequence of the neoclassical paradigm is its influence on the motives of contemporary Christian economists. Among the more peculiar consequences associated with the acceptance of the neoclassical economics is a coalescence of views among those who subscribe to the paradigm. This explains perhaps why the differences which distinguish contemporary Christian economists from non-Christian economists are no greater than the differences one observes within the economic profession in general. Given this lack of distinction, one is tempted to ask in what sense is it important to attach the adjective 'Christian' to Christian economist? While motives are difficult to gauge, one might infer on the basis of the relative emphasis contemporary Christian economists place on Christian economics that they simply desire to serve their Lord and savior through their profession, and the most straightforward way to accomplish this is to work through the body of knowledge they know best; namely, economics. This would seem to be the argument advanced by Richardson when he contends that 'Christian economists' should be

above all else good economists, lest they do themselves and the cause of Jesus Christ a great disservice.²³

Ely, Clark, Commons, et al., on the other hand, appear to be motivated by much more pressing concerns. Christian economics was not a sideline for them as it is with a number of contemporary Christian economists, nor did the issues lend themselves to a moderate or measured position. Economists during Ely's era either favored policies designed to ease the hardship imposed on the emerging urban working class or they did not. Classical economics offered little help in this regard, premised on the view that interventionist policies are contrary to the public interest.²⁴ Quantitative estimates of benefits and costs were for the most part nonexistent, and where one stood on such issues was more likely to be based on ideological predisposition and self-interest than a dispassionate appraisal of the 'facts.'²⁵

The issue, at least in the estimation of these 19th century Christian economists, was therefore more than simply serving Christ through one's profession, although this was perceived as being important, but justice, especially for those who were in an unfavorable position vis-a-vis the rich and powerful. The working and non-working poor in the view of Ely and others were continually threatened by unemployment, debilitating occupational injuries, and the arbitrary exercise of economic power. The *laissez-faire* policies associated with classical solutions only contributed to the problem: polarizing rich and poor and contributing to labor unrest and retribution. The nation was being threatened, and similar to the academic climate which existed during the great depression, the platitudes afforded by the prevailing paradigm offered few solutions and little help. Nothing less than an immediate and substantive response would do, and this they believed could be best accomplished through the development of an 'ethical' approach to economic science.²⁶

The plethora of alternative options made available to Christian economists has, of course, changed all of this. No longer must the morally concerned, but technically

ill-equipped economist devise a new theory to solve old problems, nor must he revert solely to moral arguments to address problems which have both economic and moral consequences. This does not suggest that the moral arguments advanced by Ely, Clark, Commons, et al. are without merit. Quite the contrary, for it is the very purpose of Christian economics to provide a moral perspective to economic science. What differentiates the moral arguments set forth during the two periods, however, is the *economic* arguments which are used in conjunction with or in defense of a moral position. Among the virtues of neoclassical economics, is that it permits Christian economists to use the concepts of efficiency, optimality, social welfare, and other such considerations in defense of normative moral arguments. Although the objectives may be morally premised, the theoretical development and widespread acceptance of the paradigm makes such arguments weightier and more appealing to those who may harbor a different objective. It is on this basis that one may conclude that neoclassical economics has facilitated and transformed the arguments set forth by contemporary Christian economists vis-a-vis their 19th century counterparts.²⁷

5. The Marginalization of Christian Economics

The last and final consideration bearing upon Christian economics then and now is the marginalization of Christian economics. Economics has changed tremendously during the ensuing century: comporting better with the 'facts' and providing more precise, robust, and deductively persuasive results than what had gone before. From the standpoint of Christian economics, however, the most significant change may have to do with the emergence of economic orthodoxy as witnessed by the extensive development of a self-contained, tightly integrated, and 'scientific' system of 'positive' economic relationships. Such is the status of neoclassical economics and to a lesser extent various renditions of macroeconomic theory that most contemporary contributions to the literature are implicitly premised on the putative truths contained therein, a premise which has not gone

unnoticed among contemporary Christian economists, especially those who hold to a heterodox perspective.²⁸

Equipped with an arsenal of purportedly factual economic knowledge, modern practitioners of the science need not concern themselves with the philosophical foundations underlying the set of normative objectives made available to policy making bodies. It is as if the science of economics, consisting of positive economic truths and relationships, determines what policies are available for any given economic problem, and it is up to those in a policy making position to choose between the alternatives. The role of the modern economist is thus reduced to that of refining the system of positive economics relationships through either empirical validation, marginal contributions to existing theory, or the development of new or improved applications.²⁹

It can be argued that the methodological approach described here is qualitatively similar to that advanced by Whately, Senior, Mill and other 19th century classical economists, and in this sense the positive/normative distinction associated with neoclassical and eclectic Keynesian economic theory in the 20th century is not unlike that associated with 19th century classical economics. The difference between both periods, however, lies not so much with methodological approach, as it does with the status afforded the science in general.³⁰ Economic science during the postwar period has attained a position of almost unquestioned authority in a number of important policy areas, including but not limited to noncompetitive market structure, the environment, health and welfare, regulatory control, public finance, international trade and development, business cycles, interest rates, inflation, and employment. Unlike the 19th century, few governmental policies are insulated from such developments, and the burden of proof has gradually evolved to the point where many if not most governmental policies are now evaluated on the basis of whether or not they comport with established economic principles.³¹

Concomitant with this change is a recognition on the part of the private sector that economic knowledge is an indispensable element in business decisions, bearing upon future market conditions, the cost of capital, regulatory control, and a host of other factors related to the functioning and long-term profitability of business. Private or quasi-public economic research firms such as Data Resources, WEFA, and the Brookings Institute market economic data, analysis, and economic forecasts to various private and governmental entities, and widely read economic news is now heavily seeded with commentary and analysis from leading economic authorities. Nobel prize winning economists are afforded a status once reserved for accomplished composers, artist, and statesmen. Practically all presidential hopefuls rely upon the economic wisdom provided by a faithful cadre of notable economists. Finally, in response to or perhaps in anticipation of the tremendous growth in the applications and newfound status afforded the science, undergraduate and graduate schools across America have turned out economic graduates in record numbers. Economic science has become an industry, and a growth industry at that.³²

Against this backdrop, the Christian economist, who has invested heavily in time and money in human capital designed for and marketed almost exclusively to those who demand orthodox economic thought, endeavors to integrate Christianity into a body of knowledge which was neither designed for, nor lends itself to the purpose at hand. Moreover, the unscientific character associated with Christian economic thought diminishes the professional status of Christian economics, not to mention that of the Christian economist who bears witness to such knowledge.³³

The marketing of Christian economic knowledge has in effect become a 'hard sell.' The multibillion dollar economic industry which produces and sells economic knowledge, is too well entrenched to entertain anything but marginal intrusions into the established confines of 'scientific' economics. The payoff associated with a Christian approach to economics is generally viewed as ill-defined and far removed, and it is not clear what

purpose if any religious values may have in a thoroughly secularized society.³⁴ Few Christian economists, save a relatively few neoCalvinist and Catholic economists such as Tiemstra and McKee, talk about transforming society, and Christian economists are hard pressed to find an audience for their ware other than the relatively small group of like-minded economists who believe that a role exists for Christianity in modern economic discourse.

The situation facing Ely, Commons, Clark, et al., and even Carver was much different. Economic science was not so nearly well-developed: many of the public policy applications identified above were nonexistent; economic knowledge, orthodox or otherwise, was either unknown or largely ignored by most public policy figures, not to mention the general public; and nothing even close to an 'economic industry' existed. While universities and colleges of the day were certainly not divorced from political considerations, the professor had much greater discretion concerning the type of economic paradigm to be taught. Moreover there was, at least in the eyes of the general population, no clear distinction between economist as scientist and economist as a political activist. The relatively modest number of professionally trained economists afforded added weight to the novel ideas and approaches advanced by the relatively small cadre of heterodox economists. Thus, economists such as Ely, Clark, and Commons could exercise greater influence over the discipline than any comparable effort today. All of this presented Ely and company an opportunity unlike any which exist today to co-opt or at least greatly influence public opinion and economic discussion.³⁵

This is to be contrasted to the objectives of contemporary Christian economists who have no great hope of singularly transforming economic science or society. The best that can be hoped for in a modern context are small marginal changes in the views and perceptions of a secular world. This is the method adopted by Tiemstra and McKee, who, while holding views not unlike those advanced by Ely, Commons, and Clark, adopt a more scientific, less rhetorical approach to Christian economics, relying less on changing the

hearts and minds of the general populace and more on opening new avenues and methods to the study of economics. This change in emphasis also explains why Waterman focuses much greater attention on the status of economics as a body of scientifically validated relationships rather than normative policies which might be viewed as singularly 'Christian.' Richardson, probably more than other contemporary Christian economist, seems to be cognizant of the new reality, arguing that professionalism is what matters most, lest Christian economics be painted as a dubious intrusion on the part of economic cranks.

Finally, it has become evident that the new orthodoxy has had the unsettling effect of defining what is and what is not appropriate in economic discourse. The use of religious references in economic discourse, while becoming increasingly less acceptable throughout much of the 19th century was still evident in the professional journals of the day - albeit less than one might suppose. The situation today is quite different with religious arguments and passing religious references being absent from all but a few prominent economic journals. This has had a peculiar effect on Christian economic thought, directing the emphasis of discussion away from normative Christian objectives and towards methodology, critique, and appraisals of the relative merits of Christian and non-Christian views of economics and the economy.³⁶ This is even true of Tiemstra who while going to considerable lengths to distance his thought from that of mainstream economics, nevertheless, writes with one eye towards institutional economics and the other on the neoclassical paradigm. One gets the impression that contemporary writers are working in the shadow of an imposing methodological giant and that they have to take extraordinary efforts lest the leviathan should roll over and crush their incipient movement.

Such tension was not absent in the thought of Ely, Clark, Commons, et al., but one gets a much different impression. With the exception of Ely's discourse with orthodox economists in *Science* magazine, few of these earlier writers thought it necessary to provide an extensive methodological defense of their Christian economics. Christian economics in their view was a much more practical endeavor, designed to solve problems which

they considered threatening to the well-being of the American republic. The solutions proffered were seldom economic in the pure sense of the word, including elements of psychology, anthropology, sociology, history, and religion. The objectives were seldom confined to measurable economic parameters such as wealth and income. The emphasis was on improving the living conditions of the urban poor, and this through a transformation in social and religious beliefs. It is difficult to see how a comparable approach would get a fair hearing in the highly 'scientific' climate of today.³⁷

From this, we might conclude that the relationship between Christian economics and the secular economic profession is of much greater importance today than at any time in the recent past. This has had the subtle, yet far reaching, effect of dictating the type of methodology employed, the arguments being made, and, perhaps, even the focus of the discussion. This would seem to be a natural and essential progression from what had gone before. As a marginalized subdiscipline within a rapidly expanding and thoroughly secularized industry, Christian economics is not afforded the luxury of an eager audience and ready acceptance within the economic community at large. Such acceptance must be earned, and even when the subject is presented as a scholarly, well-conceived contribution to the literature, the now novel approach to economics faces an uphill struggle in the increasingly competitive market of economic ideas. The situation facing Ely, Commons, and Clark was, of course, much different, and it was perhaps the latitude afforded these earlier writers which explains the initial success they had in advancing an ethical approach to economic science. The cost of progress may be the loss of such novel approaches, as contemporary Christian economists endeavor to make their ideas more palatable to an increasingly global economic profession.

6. Accounting for Historical Change

From the foregoing discussion, it should be evident that historical context plays an important if little understood role with regard to Christian economics. An economist

writing during the Twentieth century faces a much different set of options and circumstances than an economist writing one hundred years earlier. The knowledge available to the writer, collegiality, social groupings, prevailing institutional structures and economic system, social ethos, culture, acceptability of ideas, and the medium and mode by which such ideas are made known vary from place to place and over time. Gauging the effect of such considerations on Christian economics is, of course, a very difficult task, and it is important not to overstate such factors when comparing the thought of the early group of Christian economists with their 20th century counterparts. It is, nevertheless, evident that such considerations play an important role with regard to Christian economics during the two periods, and it is to this issue that we now turn.

First, it should be evident that the body of information, knowledge, and ideas available to the Christian economist has increased dramatically over the past century, and this affords contemporary Christian economists a much broader set of options than available to his 19th century counterpart. Consider the ideas advanced by Heyne and Carver. In terms of implicit objectives, the Hayekian arguments employed by Heyne are similar in many ways to the social Darwinist argument employed by Carver. Where these two philosophies differ, however, is the *means* by which such objectives are realized, the latter being much less harsh and more palatable to a contemporary audience - a consideration which has obvious implications with regard to the polemical purpose for which the two arguments are advanced. What should not be overlooked, however, is that the ideas set forth by Hayek in support of freedom, individualism, pluralism, and minimal government were generally unknown at the time Carver advanced his thought. In the absence of such ideas, Carver was required to look elsewhere, and since he sought a moral foundation for economic individualism and political freedom he settled upon a social Darwinist view of Christianity, neglecting the more refined, well-reasoned ideas developed by Hayek and employed by Heyne.

It should also be evident that what is and is not deemed acceptable, or what is more likely to meet with a more receptive response will vary over time. Consider the differing options available to the contemporary Christian economist David Richardson and his 19th century counterpart Richard Ely. Writing a century earlier, Ely sought to influence the nature, scope, and future direction of economic science, introducing explicit normative objectives into the "statement of principles" of the newly founded American Economic Association.³⁸ Writing a century later Richardson adopts a much different position, arguing that neoclassical economics is the paradigm of choice for most professional economists, and to ignore this reality is to languish in a state of obscurity unnoticed and unappreciated by the vast majority of one's peers. The circumstances and options facing Richardson and Ely were, of course, much different, and this explains, at least in part, the respective positions these two economists adopt with respect to Christian economics, with Ely taking advantage of the relatively nonprofessional status of the profession to change its direction and scope and Richardson deferring to a well-established profession which must be reckoned with on its terms.

Perhaps the most notable distinction between Christian economists over the ensuing century, is the professionalization of economic science and the trend towards commensurability in academic discourse. When assessing the two time frames it is important to note that Ely, Clark, Commons et al. approach the issue of Christian economics not as dispassionate scientist, but as social reformers. Their effort was a multifaceted one involving volunteerism, political mobilization, arbitration between labor and management, the inculcation of Christian virtues, the mobilization of the Christian church, political reform, and, of course, the establishment of an identifiable body of Christian economic thought. This is to be contrasted with the Christian economic thought of Tiemstra and McKee who adopt a much more circumscribed approach to the subject, confining their efforts to the development, dissemination, and exchange of theologically informed

economic ideas. In the case of the former writers, the emphasis was on *praxis*, in the latter on ideas.

Assessing this distinction is not without potential pitfalls, the most important of which being the attribution of distinctive differences in methodology exclusively to the mode of application. It would be a mistake to conclude that Ely, Commons, Clark, et al. were not scholars. They were most assuredly as their later writings attest. It would be equally erroneous to conclude that the influence of Tiemstra and McKee is exclusively limited to discussion with like-minded scholars. Both writers belong to influential churches, and their influence through such institutions is not to be discounted. Despite this, the distinction in approach is too prominent to ignore, and the most promising explanation appears to be differences in the respective social and academic climate in which both groups of economists work.

The nature and influence of the Social Gospel movement on the thought of Ely, Commons, Clark, et al. is well-documented, and while the origins of this movement remains a subject of controversy among religious historians, there is little doubt that the efforts of Washington Gladden, Albion Small, Josiah Strong, Richard Ely and others stirred the imagination of the masses, fostering a number of socially progressive Christian publications, local activist groups, and various efforts and organizations designed to help the poor, sick, disabled, and politically disenfranchised.³⁹

It was in this climate that the Democratic presidential candidate William Jennings Bryan gave his famous speech on the "cross of gold," a stirring polemical indictment of greed and corruption in the higher echelons of American society,⁴⁰ and it was in this environment that a small but influential group of clergymen and Christian scholars launched a plan to reform society through the "Christianization of America." The effort met with widespread approval, and for a while at least it appeared that a fundamental transformation in America beliefs and political leadership was in the making. The bastions of American power were its target, and this included the giant trusts and corporations

which emerged in the years following the Civil War, corrupt and ineffective local and state governments, political and social apathy, and a social philosophy which appeared to sanction the ignoble elements in human nature.

Orthodox economic science was, of course, an instrumental part of the prevailing social and economic order, and, for this reason, was viewed as no less a target for reform than the corrupt state legislatures which invariably favored the interest of the rich and powerful over that of the poor and politically disenfranchised. Economic science, however, was only part of a much larger problem, and economists such as Ely, Clark, Commons et al. viewed their task as much more than that of reforming economics. Commons' book *Social Reform & The Church* was directed at the church. Ely's *Social Christianity* was addressed to Christian laymen and clergy. Clark's *Philosophy of Wealth* was academic in character, but was as much directed towards changing the minds of the American laymen as it was other professional economists who were comparatively few in number. All of these writers were academically minded, to be sure, but they were also active social reformers, and to lose sight of this fact is to interpret their thought in a much different light than when it was advanced and in which it was intended.

The same, however, cannot be said for Tiemstra and McKee. Both of these latter writers are academicians in the modern sense of the word. While Tiemstra's *Reforming Economics* and McKee's *Economics and the Christian Mind* are written in such a way as to be understandable to the person without graduate training in economics, both books presuppose a fair degree of economic knowledge, certainly more than a first-year student would acquire in an introductory course on the subject. Second, both books are well-documented, properly footnoted and cite the leading authorities in the various subjects covered. Finally, the apparent objective of both books is to engage the reader in a thought provoking reappraisal of accepted views on the nature, scope, and purpose of economic science, an effort that hardly lends itself to populist appeal. If it is the desire of Tiemstra

and McKee to change the hearts and minds of the American laymen, it is not evident in their thought.

This does not suggest that Tiemstra and McKee have only a limited audience in mind, or that they have no desire to effect a fundamental change in attitude at the grassroots level where Americans live and work. They obviously do, but they perceive their first task as that of reforming economic science, or at the very least establishing their view of economics as a viable alternative to the orthodox economics adopted by the vast majority of professional economists. This latter effort would appear essential during an era when approval from the academic community is the first and surest step towards greater acceptance. Such screening is, of course, systemic to all modern academic inquiry, not only economics, and it reflects perhaps an evolving process which filters out overly speculative or potentially unproductive ideas. What is not so evident, however, is the subtle influence the professionalization of economic science has had on Christian economic thought, setting a *de facto* standard even within the somewhat obscure, iconoclastic subfield known as Christian economics.

The trend towards greater professionalism, which should be viewed as a process occurring over centuries rather than decades, is not without implication.⁴¹ Both Tiemstra and McKee's thought is infused with ideas adapted from secular sources; presented in much the same way as secular economic publications; is theoretically, if not empirically, substantiated; and appeals to the reader's sense of reason as much as faith. All of this lends itself to an almost seamless transition to a secularized version of their thought, a result McKee is not only aware of, but favors.⁴² Tiemstra is more cautious, but even here one senses that much of his thought could be easily repackaged so as to meet the expectations and shared values of a like-minded, non-Christian audience. In the case of both writers, the emphasis is on reasoned argument rather than exhortative persuasion, an emphasis which has obvious and largely positive implications with regard to commensurability, approach, style, and professional acceptance.

7. The Uniqueness of Christian Economics

Assuming that the foregoing assessment bears merit, the question arises as to whether Christian economics is unique, is becoming less unique, or ever was unique. If there is a trend towards a commonality in approach, as suggested here, it can be argued that contemporary Christian economics is unique only insofar as the underlying normative objectives are unique. If, on the other hand, such a trend is a not a harbinger for things to come, and Christian economics develops into a distinctive economic theory, similarity or dissimilarity of objectives is no longer an issue, and Christian economics can be viewed as truly unique. As things now stand no such theory has been developed, and the issue of uniqueness reduces to that of the uniqueness of normative objectives.

This is the view adopted by Waterman in his paper "Can Economic Policy be Christian." Christian economic policy in the 'first weak sense' may not and in all likelihood will not be unique in the sense that other belief systems share the same normative objectives.⁴³ It should come as not surprise that followers or proponents of various religions (Christianity, Judaism, Hinduism, Islam, Buddhism, etc.) and nonreligious philosophical traditions (Marxism, social Darwinism, secular humanism, etc.) often espouse similar normative economic objectives. This being the case, one must ask in what sense is it important to add the adjective 'Christian' to a particular economic agenda? This appears to be the criticism made by Heyne when he objects to normative Christian pronouncements on the economy, which, in his estimation, adds little or nothing to the discussion. The issue both he and Waterman seem to agree has little to do with Christianity and instead involves differing views of how best to achieve agreed upon ends.

Waterman's critique of Christian economic thought was limited to contemporary approaches to the subject. Yet, the argument would appear to be generally applicable to both contemporary and historical Christian economics, and it is on this basis that we can assess to what extent the Christian economics of heterodox economists writing over a century earlier is more "Christian" than that of Tiemstra and McKee. Such a comparison,

however, presumes a precise knowledge of the ontological beliefs, ethics, and implicitly Christian principles underlying or infusing their thought as well as knowledge concerning their economic and social objectives. Such information is not available for the earlier writers and only partially available in the case of Tiemstra and McKee. It is, nevertheless, possible to *infer* a response to the Waterman critique on the basis of the economic and social philosophy underlying the thought of the early heterodox economists and the method they employed in an effort to promote this philosophy.

First, from what we know concerning Ely, Commons, and Clark's thought, it would not be unreasonable to suppose that they would challenge Heyne and Waterman's view on the harmony of normative objectives, arguing that the objectives of differing classes of people do in fact conflict. Examples of such conflict abound in their thought including references to class conflict between labor and capital; between Southern planters, share croppers, and Northern manufacturers; between trusts and small independent businesses; between big business and the consumer; and between the rich and the poor.⁴⁴

Class or special interest conflict is, of course, not unique to their thought: socialists, communists, statist, and others have advanced much the same argument, albeit without reference to Christianity. Yet, Ely, Commons, Clark, et al. went to great lengths to distinguish their thought from those who sought to advance the same or similar objectives through nonreligious means, believing that the method they advanced would yield qualitatively different and superior results.⁴⁵ The solution they proffered was premised more on a transformation in beliefs and behavior than a change in ownership and control over the means of production, and in this sense, one might concur with Heyne and Waterman's argument that it is means rather than ends which differentiate economic positions.

It was not only means, however, which distinguished the positions of heterodox Christian economists from ostensibly similar secular writers during the latter part of the 19th century, but objectives as well. For, as Commons, Clark, and Ely tirelessly argued, economic systems and economic science are not unrelated to *religious* beliefs and the

transformation of such beliefs represented an integral part of their thought. To adopt the means advanced by secular-minded, social reformers would diminish rather than promote the cause of Christianity in America, and this consideration was viewed as being more important than nonreligious considerations.⁴⁶

Finally, these economists looked to a fundamental transformation in American society, and this they believed required the concerted efforts of Christian voluntary organizations, churches, the Christian middle class, Christian intellectuals, and other groups peculiar to the time and place in which they lived. Working in close cooperation with science and state these groups would effect a transformation in social and economic relations, and through this an ethos of selflessness, cooperation, and love. America would evolve into a less combative, more cooperative, egalitarian society with the Christian religion as its spiritual guide and moral leader. All of this was, of course, contingent on the peculiar characteristics of 19th century Christian America,⁴⁷ and it is this latter consideration which distinguishes Christian economics circa 1885 from all other approaches to economic science.

The objectives and methods advanced by these earlier writers can be contrasted with the foundational premises and objectives set forth in the thought of Tiemstra and McKee. Similar to the early heterodox economists, both writers take issue with the highly generalized introspective principles - rationality, self-interest, methodological individualism, etc. - underlying orthodox economic science. Both writers argue that Christian beliefs mandate justice in economic relations. Both decry an economic system which implicitly sanctions materialism, individualism, greed, and self-regarding behavior, and both adopt an expansive view of the proper objectives of economic science, identifying the family, the community, the dignity of labor, social and corporate responsibility, and a Godly ordained respect for the environment, work, and human life as legitimate aims.⁴⁸

Apart from a Godly-ordained respect towards the environment, work, and human life, however, one is hard pressed to identify uniquely Christian objectives or concepts in

their thought, and even with regard to these latter considerations, it would seem evident that at least some nonChristian religions or subgroupings would share such views. The lack of uniqueness would then appear to originate with the less than uniquely Christian measures and ideas that they advance as solutions to social and economic problems. The same, however, cannot be said with regard to Ely, Commons, Bemis, and Clark who advocated approaches which directly involved the active participation of the Christian church and the Social Gospel movement. Whether or not this constitutes uniqueness is not for the writer to decide. Such active participation does, however, appear to come closer to the idea of a uniquely Christian approach to the subject of economics than the more intellectual approach advanced by Tiemstra and McKee.

8. The Decline of Late 19th Century Christian Economics

Finally, a comparison of Christian economic thought over both periods would not be complete without some discussion of the decline and eventual demise of Christian economic thought during the latter part of the 19th century. In 1892, Charles Dunbar was elected president of the American Economic Association (AEA), Ely resigned under pressure as association secretary, and the short-lived but notable effort by Ely, Bemis, Commons, Andrews and others to use the AEA as a moral platform for advancing a Christian vision of society had come to an untimely end.⁴⁹

During the ensuing decade Andrews would publish his *Wealth and Moral Law* (1894) and lose his position as president at Brown University; Bemis would lose his position at the newly founded University of Chicago and after a brief tenure at the Agricultural College of Kansas would leave academia; Clark would gain worldwide recognition for his seminal work in marginal productivity theory; Commons would publish *Social Reform & The Church* (1894), become increasingly active in leftist leaning Christian organizations and publications, lose his position at Syracuse University, and leave academia for a period of nine years. Finally, Ely would leave Johns Hopkins for a

position at Wisconsin, nearly lose his new appointment over allegations concerning alleged socialist leanings, allow his AEA membership to lapse for a period of four to five years, and publish *Fundamental Beliefs in my Social Philosophy* (1895) and *The Social Law of Service* (1896) The two final works relating Christianity to economics would be published by Commons in 1898,⁵⁰ and from about this time on no further efforts would be made towards advancing a unified approach to economics involving church, state, and science.

Among the five heterodox Christian economists considered here, J.B. Clark was the first to turn away from an explicitly Christian approach to economic science. Following the Haymarket riot in 1886 the Yale economist A.T. Hadley publicly berated Clark for spreading "socialistic fallacies," and within a short time Clark "began an intense effort to rethink his position and by 1887, to change it."⁵¹ The following year, he and F.H. Giddings published a small book entitled *The Modern Distributive Process*, and for the first time Clark argued that competition affords a permanent solution to humanity's problems. He writes:

They [the essays] show that the tendency of modern competition is to sweep pure profit out of existence, while that of other forces is to cause it to continually reappear. The view of social evolution which these conclusions afford is that of a progress toward equity between men promoted by combinations, but guaranteed by the deeper and more general influence of competition itself. Injustice is diminishing and that by *natural law*.⁵² [my italics]

Two years later Clark would publish "Capital and its Earnings" and "Possibility of a Scientific Law of Wages," and in the second of these articles we observe for the first time "the first clear overt statement of the marginal productivity as applied to wages."⁵³ In a series of articles to follow, he develops a static theory of distribution, and from this a dynamic theory of capitalist development. In *The Distribution of Wealth* published in

1899, he argues that the market is the final arbiter of justice: giving "to every agent of production the amount of wealth which that agent creates."⁵⁴

The methodological conversion of J.B. Clark has been the subject of considerable controversy among later economists and historians, engendering a number of theories concerning Clark's motives and rationale. Clark's son, John Maurice Clark, would identify the threat of socialism as a compelling factor; Schumpeter has argued that Clark's later economic theory can be separated from both ethics and values, and, for this reason, is not at variance with his earlier Christian ideals. J.F. Henry attributes Clark's methodological conversion to his desire to provide a ethical rationale for the prevailing capitalist order. J. Jalladeau writes that Clark endeavored "to eliminate the real socioeconomic forces in the field of pure economics" while presenting "the problem of equity in scientific terms." D. Ross maintains that Clark sought to "justify the capitalist economy in less contested terms than those provided by classical theory."⁵⁵

Irrespective of the reason, the methodological conversion of Clark undermined Ely's efforts to establish Christian economics as a viable alternative to orthodox economic science. As early as 1887, Clark recommended the abandonment of the AEA platform in the interest of bringing in more conservative economists. By 1892, Clark would join other erstwhile Ely friends and former allies H.C. Adams and E.J. James in plotting Ely's ouster and redirecting the association to a more scientific orientation. Ely's efforts to fashion an activist-minded, religiously informed academic association was essentially over, and although he would be elected president of the AEA in 1900, the association would never again reflect the vision of its founder.⁵⁶

The resulting loss of academic influence was not without implications for Christian economics. Ely, Commons, Bemis and to a lesser extent Andrews looked upon a fundamental transformation in social beliefs and behavior as an integral element in their holistic approach to economic science, and the professionalization of the science did little to enhance such efforts. The new found emphasis was on scientific, dispassionate research, and

this was at variance with efforts on the part of these economists to disseminate their ideas through the vast network of Christian churches, religious publications, and voluntary organizations. The professionalism of the science also limited the ability or willingness of professional economists to interact as economists with nonprofessional Christian social reformers such as Washington Gladden, Albion Small, and Josiah Strong. Economic science had been severed from religious discourse, and the joint effort between church, state, and science envisioned by Ely when he founded the AEA in 1886 had been relegated to an unattainable dream by the turn of the century.⁵⁷

The loss of academic influence was, of course, not the only consideration undermining the social reform efforts of Ely, Commons, Bemis, and Andrews. Their activist efforts, pro-labor policies, and the emphasis they placed on state intervention elicited considerable opposition from conservative quarters, and it was only a matter of time before all four economists would find their academic careers and personal livelihoods threatened by university administrators keen to assuage worried trustees and fickle benefactors. Before the dust had finally settled Commons had lost two university positions and faced the possibility of never receiving another appointment; Andrews was forced from Brown; Ely went through a wrenching hearing which left him shaken and isolated; and Bemis would give up teaching in favor of a well-paid and more secure position in government. All four economists would eventually eschew religious activism in favor of more scholarly endeavors. Commenting on this transformation, Commons would later write: "I learned ... that the place of the economist was that of advisor to the leaders, if they wanted him, and not as propagandist to the masses."⁵⁸

The third component in Ely and Commons' grand plan for social redemption, the church, also failed the dwindling band of Christian economists. While Ely would continue to lecture at Chautauqua and Commons would continue to exhort church leaders throughout the 1890s, it had become evident to both economists that most local churches were either unwilling or unprepared to engage in the type of reformist activities sought by

proponents of the Social Gospel movement. Commons' *Social Reform & The Church* published in 1894 was met with immediate opposition by conservative evangelicals, and Ely's numerous church sermons and camp meeting speeches stirred as much opposition as support. By the end of the 1890s, Commons would write that social reform efforts were "finding other channels than the Church" and that "Christianity will not disappear, but the Church - which is only a name for a method of Christian work - may disappear."⁵⁹

At a more fundamental level the failure of late 19th century Christian economics can be viewed as a failure to retain the communitarian social ethos once prevalent in various New England and midwestern communities. The social milieu of the late 19th century was much different from that of previous generations or even from that of the most recent generation which had passed. The influence of urbanization, secularization, and individualism were very much evident, and the voluntary, self-sacrificing tradition associated with American Puritanism must have appeared foreign and perhaps even trifling and quaint to most Americans. While dissimilarities in philosophical tradition have always represented an obstacle to understanding and discourse, the tradition from which Ely and others were most familiar was in decline, and the audience to which he and others counted on for support was being increasingly influenced by the dominant social philosophy of pluralism and American individualism.⁶⁰

Finally, the increasing cosmopolitanism of economic discourse weighed heavily against the type of culturally specific philosophical approach Ely and others attempted to promote. National distinctions in economic thought, which loomed large throughout much of the 19th century, had greatly diminished by the latter part of the century. Economics had become an international science, bearing little resemblance to the American folklore, anecdotal stories, and religious metaphor used by Ely and others in their early Christian economic thought. While conveying the concepts of social service, ethical evaluation, Christianization of government, etc. to fellow Americans with similar backgrounds and views was a very manageable endeavor, conveying the same message to a group of

individuals with different experiences and views was quite a different matter, and, in an increasingly global setting, the acceptance of ideas is the telling criterion of whether or not a particular paradigm or social philosophy gains some measure of lasting significance. Ely's brand of Christian economics failed in this account, and, in this sense, it could be viewed as simply a victim of the times.

9. Conclusion

The foregoing discussion identifies at least four considerations bearing upon Christian economic thought then and now. Evolving patterns in American Christianity, distinctive economic and social practices, the emergence of the neoclassical paradigm, and the marginalization of Christian economics have given rise to a much different approach to the subject during the two time frames. While more numerous than his 19th century counterpart, the contemporary Christian economist wields considerably less clout, is more likely to view Christian economics as an adjunct to other economic work, is less concerned with specific economic problems, more concerned with methodology and technique, is less of a political activist, is more likely to work within the predominant economic paradigm, and, with few exceptions, has a much narrower agenda and focus.

This has contributed to a dissimilarity in temperament and approach with contemporary Christian economists by and large more concerned with how Christianity relates to economics, and earlier Christian economists more concerned with Christian morality and its implication for social ethos and world redemption. While this distinction may be somewhat overstated, it is, nevertheless, evident that Ely, Clark, Commons, et al. had a much different objective in mind than their contemporary counterparts. Economic science was not so much a medium to understand economic phenomena as a means to accomplish a much larger socioeconomic agenda. Contemporary economists may object to such unabashedly unscientific use of the discipline, but it must be kept in mind that these economists looked upon the so-called scientific study of economics as an apologetic

rationale for *laissez-faire*. When required to choose between the scientific method and Christian morality, a choice most modern economists do not feel compelled to make, this small band of Christian economists chose the latter, attributing the numerous problems of their day to social apathy, an erroneous notion of Christianity, and the avarice, self-regarding behavior of the powerful few.

All of this makes an intertemporal comparison of Christian economics a difficult task. While some economists then as now favored a market oriented approach to economic problems and others nonmarket solutions, one must be careful about reading too much into such similarities. Economic theory was much different in the late 19th century than it is now, providing few of the methodological tools or sophisticated arguments contemporary economists now take for granted. What these earlier economists lacked in technique and expertise, however, they more than made up for in terms of political and social influence. Their comparative advantage thus rested with religious and social activism, an advantage they used extensively in their Christian economic thought.

Footnotes

- ¹ Numerous independent polls from the 1940s to the present time have revealed a remarkable consistency with regard to a belief in God, with 97 percent of Americans claiming such a belief. Sixty percent of Americans belong to Jewish or Christian congregations, and forty percent attend church service on a typical week end. See Smith, Gary Scott. *The Seeds of Secularization: Calvinism, Culture, and Pluralism in America, 1870-1915*. Christian University Press. Grand Rapids, MI. 1985. p. 175; Noll, Mark A.. *A History of Christianity in the United States and Canada*. Grand Rapids, MI: Williams B. Eerdsman's Co., 1992. pp. 476-477.
- ² Finke, Roger, and Rodney Stark. *The Churching of America, 1776-1990*. New Brunswick, NJ: Rutgers University Press. 1992. pp. 113-114, 171; op cit., Noll. *A History of Christianity in the United States and Canada*. pp. 361-362.
- ³ Everett, J.R., *Religion in Economics: A Study of John Bates Clark, Richard T. Ely and Simon N. Patten*. New York: King's Crown Press. 1946. pp. 11-16; Handy, Robert T., *A History of the Churches in the United States and Canada*. Oxford University Press: New York, 1977, p. 286; op cit., Noll. *A History of Christianity in the United States and Canada*. pp. 369-372; Hardman, Keith J., *Issues in American Christianity*. Grand Rapids, MI: Baker Books, 1993, p. 213.
- ⁴ As suggested in the chapter five religious opinions pertaining to evolution became increasingly polarized during the first three decades of the Twentieth Century, so much so that academic discourse between the two opposing camps practically ceased. See op cit., Noll. *A History of Christianity in the United States and Canada*. pp. 370-376, 381-383.
- ⁵ op cit., Handy, *A History of the Churches in the United States and Canada*. p. 382, 426; op cit., Noll. *A History of Christianity in the United States and Canada*. p. 376; Gaustad, Edwin S.A. *Documentary History of Religion in America Since 1865*. Grand Rapids, MI: Williams B. Eerdsman's Co., 1983. pp. 489-493, 507-509, 515.
- ⁶ It is noteworthy that much of Ely's efforts were directed at "the common people" who flocked to the Methodist sponsored summer camp at Chautauqua, New York. He wrote the first edition of his textbook for the Chautauqua Literary and Scientific Circle, and most of his major religious publications throughout the 1880s were disseminated through church sponsored organizations. He believed that "it was largely through Chautauqua that I was able to exercise my great influence." See Ely, Richard. *Ground Under Our Feet, An Autobiography*. New York: Macmillan, 1938, p. 79. Common's *Social Reform & The Church*, Clark's *Philosophy of Wealth* and Andrews *Wealth and Moral Law* were similarly directed at mainstream Protestant laymen and clergy. Similar to Ely, these latter three writers sought to influence public opinion and marshal the support of the churches, and this required a close relationship between church leaders and academic scholars, a relationship emphasized in the writings of all of the early heterodox writers.
- ⁷ Robert Church argues that the transformation in rhetoric and presentation was essentially complete by 1920. He writes: "the shift from a stress on moralism and reform to a stress on objectivity and science, is best seen as a shift in strategy designed to enhance the economist's capacity to affect society." Church, Robert L., "Economists as Experts: The Rise of an Academic Profession in the United States, 1870-1920." In *The University in Society*, 2 volumes. Lawrence Stone (Ed.), Princeton, NJ: Princeton University Press, 1974, p. 573. Dorothy Ross argues that political pressure brought to bear on social reformers such as Henry Carter Adams, Richard Ely and E.A. Ross induced these writers to eschew the exhortative mode of discourse in favor of a more 'scientific,' dispassionate style of writing. Ross, Dorothy, "The Development of the Social Sciences." In Oleson, Alexandra and John Voss (Eds.), *The Organization of Knowledge in Modern America, 1860-1920*. Baltimore: Johns Hopkins University Press, 1979, pp. 127-128. Furner argues that the process of professionalism which took place during the 1890s diminished the prestige and status associated with the type of socioreligious advocacy associated with Christian economics. Furner, M.O., *Advocacy & Objectivity: A Crisis in the Professionalization of American Social Science, 1865-1905*. Lexington, KY: University Press of Kentucky, 1975, chap 7.

- ⁸ Semipopular publications by professional economists were quite prevalent up through the mid-1880s. With the advent of Columbia's *Political Science Quarterly* (1886), Harvard's *Quarterly Journal of Economics* (1886), the AEA's *Publications* (1886), and Pennsylvania's *Annals of the American Academy of Political and Social Science* (1890), semipopular publications on the part of academic scholars significantly diminished. op cit., Church. "Economists as Experts," p. 591.
- ⁹ For a discussion on working conditions, longevity, living standards and other such considerations from 1880 to 1910 see Puth, Robert C. *American Economic History*, Fort Worth, TX: Dryden Press, 1993; Easterlin, R., *Population, Labor Force, and Long Swings in Economic Growth: The American Experience*. New York: Columbia University press, 1968; Gutman, H. Work, *Culture and Society in Industrializing America*. New York: Random House, 1977. Rees, A. *Real Wages in Manufacturing, 1890-1904*. Princeton, NJ: Arno Press, 1961.
- ¹⁰ For a discussion on social Darwinism and *laissez-faire* during the late 19th Century see Dorfman, Joseph (Ed.), "Introductory Essay. Harmonizer of Liberty and Reform," *Two Essays by Henry Carter Adams: Relation of the State to Industrial Action & Economics and Jurisprudence*. New York: A.M. Kelley, 1969, pp. 26-28; Persons, Stow (Ed.), *Evolutionary Thought in America*. New Haven, 1950. op cit., Everett, J.R., *Religion in Economics*, pp. 11-16; Fine, Sidney, *Laissez-Faire and the General Welfare State: A Study of Conflict in American Thought, 1865-1901*. Ann Arbor, MI: University of Michigan Press, 1986.
- ¹¹ For a discussion on the improvement in living conditions and the increased role of government over the past century. See Puth, Robert C. *American Economic History*. Fort Worth, TX: Dryden Press, 1993; Davis, L., R. Easterlin, W. Parker et al. *American Economic Growth: An Economist's History of the United States*. New York: Harper & Row, 1972; Lebergott, S. *The Americans: An Economic Record*, New York: Norton, 1984; U.S. Department of Commerce, Bureau of the Census, *Historical Statistics of the United States: Colonial Times to 1970*, 2 vols., Washington, DC: Government Printing Office, 1975.
- ¹² This argument, which is a central element to social and economic critique advanced by the contemporary heterodox economists Tiemstra and McKee, appears to be a common theme among the young economist returning from Germany during the 1870s and 1880s. Dorfman, Joseph, "The Role of the German Historical School in American Economic Thought," *American Economic Review*, 45, May 1955, p. 24, 27. Commenting on the proper scope of economic science, the German trained economists J.B. Clark writes: "broaden the conceptions of wealth, as the subject of the science, to find a place in the system for the better motives of human nature, to construct a new theory of value, to apply at all points the organic conception of society and to suggest other connections." Clark, "The New Philosophy of Wealth," *The New Englander and Yale Review*, January, 1877, p. 170.
- ¹³ Clark, John Bates, "Christianity and Modern Economics," *New Englander and Yale Review*, July 1887, p. 50-51; Clark, "How to Deal with Communism," *New Englander and Yale Review*, July 1878, pp. 534-535; Clark, "The Nature and Progress of True Socialism," *New Englander* 38, July 1879, p. 580; Clark, "Spiritual Economics," *New Englander and Yale Review*, May 1880, p. 314.
- ¹⁴ Bemis, Edward W., "The Relation of the Church to Social Questions," *Dawn*, II, July-August, 1890, p. 150-151; Clark, John Bates, "Christianity and Modern Economics," *New Englander and Yale Review*, July 1887, p. 52; 58) op cit., Ely, *Social Aspects of Christianity*, p. 187; Commons, John R., "The Church and the Problem of Poverty." In Commons, John R., *Social Reform & The Church*. New York: Augustus M. Kelley, 1967, p. 30-31.
- ¹⁵ op cit., Puth, *American Economic History*, chapter 12, 14, 16.
- ¹⁶ Commenting on the extremist position adopted by conservative economists during the period, General Francis A. Walker, president of the newly founded American Economic Association, writes: *laissez-faire* "was not made the test of economic orthodoxy, merely. It was used to decide whether a man were an economists at all." Coats, A.W., "The First Two Decades of the American Economic Association," *American Economic Review*, September, 1960, p. 558.
- ¹⁷ This assessment is based on dialogue between contemporary Christian economists as recorded in various issues of the Association of Christian Economists *Bulletin*.

- 18 For an assessment of the role of government in post-war industrial economies see Anderson T. and P. Hill, *The Growth of a Transfer Society*: Stanford, CA: Hoover Institution Press, 1980; Borchering, T. (Ed.) *Budgets and Bureaucrats: The Sources of Government Growth*, Durham, NC: Duke University Press, 1977; Olson, M., *The Rise and Decline of Nations: Economic Growth, Stagflation, and Social Rigidities*, New Haven, CT: Yale University Press, 1982; Porter, M., *The Competitive Advantage of Nations*, New York: Free Press, 1990; Schnitzer, Martin, *Comparative Economic Systems*, Cincinnati, OH: South-Western Publishing Co., 1994.
- 19 Heyne, Paul, *The Catholic Bishops and the Pursuit of Justice*. Washington, DC: The Cato Institute, 1992, p. 1; Waterman's critique of 19th Century Catholic social thought is premised on the view that the objectives of the Papacy simply did not correspond to the appropriate means by which to realize this objective. Waterman, A.M.C., "The Intellectual Context of *Rerum Novarum*," *Review of Social Economy*, Winter, 1991, p. 473-474.
- 20 Andrews, E. Benjamin, "Individualism as a Sociological Principle," *Yale Review*, II, May, 1893, p. 25; op cit., Clark, "The Moral Outcome of Labor Troubles," p. 534; op cit., Clark, "How to Deal with Communism," pp. 534-535; Commons, John R., "The Educated Man in Politics." In Commons, John R., *Social Reform & The Church*, New York: Augustus M. Kelley, 1967, pp. 64-65; Ely, Richard T., "The Past and Present of Political Economy," *John Hopkins University Studies in History and Political Science*, March 1884, pp. 23-24.
- 21 For a discussion of the applications of neoclassical economics to public policy see Ferguson, C.E., *Microeconomic Theory*, 3rd Ed., Homewood, IL: Irwin, 1972; Henderson & Quandt, *Microeconomic Theory*, New York: McGraw-Hill Books, 2nd ed., 1972; Varian, H.R., *Intermediate Microeconomics*, 3rd ed. New York: Norton Co., 1993.
- 22 This is the same argument set forth by Richardson in his paper "Frontiers in Economics and Christian Scholarship," *Christian Scholar's Review*, June, 1988
- 23 Neoclassical economics in Richardson's estimation simply represents an effective tool for the study of economics and the advancement of economic policy, and similar to any other vocation, "professional economics is worth doing as a disciple of Jesus, and worth doing well." Richardson, J. David, "What Should (Christian) Economists Do? ... Economics!" Paper presented at workshop sponsored by Gordon College Department of Economics and the Association of Christian Economists, Boston, MA, January 1-2, 1994, p. 1.
- 24 While John Stuart Mill, the last of the great 19th Century classical economists, would soften his views on *laissez-faire* during the latter years of his life, classical economics as a school of thought never developed to the point where it provided a theoretical rationale for large scale systematic market intervention. See Brue, S.L., *The Evolution of Economic Thought*, Ft Worth, TX: Dryden Press, 1994; Ekelund, R.B. and Herbet, R.F., *A History of Economic Theory and Method*, New York: McGraw Hill, 1990; Schumpeter, J.A., *History of Economic Analysis*, New York: Oxford University Press, 1961.
- 25 While 19th century pioneers such as Stanley Jevons, Francis Galton, Karl Pearson, and Francis Edgeworth made significant contributions to the emerging field of economic statistics, it was not until the 20th Century that statistical research became a universally accepted mode of economic research. See Stigler, S.M., *The History of Statistics: The Measurement of Uncertainty before 1900*, Cambridge, MA: Cambridge University Press, 1986; Persaran, M.H., "Econometrics," *New Palgrave Dictionary of Economics*, Eatwell, J., Milgate, M., and Newman, P. (Eds.), vol. 2, London: Macmillan, 1987, pp. 8-22.
- 26 op cit., Clark, "The Moral Outcome of Labor Troubles," p. 534; op cit., Commons, "The Educated Man in Politics," pp. 64-65; Ely, Richard T., "The Past and Present of Political Economy," *Johns Hopkins University Studies in History and Political Science*, March 1884, pp. 23-24; Ely, Richard T., "The Economic Discussion in Science." In Adams, Henry Carter et al., *Science Economic Discussion*, New York: The Science Co., 1886., p. 70.
- 27 Among the advantages associated with the neoclassical paradigm is its near universal adoption as a core area of instruction in economic PhD programs, a requirement which lends a degree of commensurability and understanding to economic discourse. Aware of this characteristic and the influence it has on the dissemination of economic policy and the diffusion of economic ideas,

- Richardson writes: "Ideas and influence filter from the most scholarly economists in the highest-ranked academic departments in the most dynamic fields down toward others of us in outlying departments and less engrossing fields. Richardson . J. David, "Frontiers in Economics and Christian Scholarship." *Christian Scholar's Review*. June. 1988, p. 392.
- 28 Among the various critiques directed at the neoclassical paradigm and various renditions of Keynesian, supply side, and monetarist approaches to macroeconomics by Tiemstra and McKee is that the implicit foundations associated with orthodox approaches to the science are value laden and to a significant degree antithetical to the objectives of Christianity. Tiemstra, John, "What Should Christian Economists Do? Distinctively Christian Economics." Unpublished paper presented before the Association of Christian Economists, Boston, 1994, p. 1; McKee, Arnold F., *Economics and the Christian Mind*, New York: Vantage Press, 1987, pp. 101-105, 109-113.
- 29 This issue is developed further in the discussion on Richardson in chapter five and methodology in chapter seven.
- 30 The argument advanced here does not imply that economists during the 19th Century were unconcerned with status. Commenting on such concerns Coats writes: "Like his less conservative colleagues, Hadley was only too familiar with the poverty, insecurity, and vulnerability of the little band of professional economists and he was convinced that prestige and influence could be earned only by exercising sound scholarship and wise statesmanship." op cit. Coats, A.W., "The First Two Decades of the American Economic Association." pp. 563.
- 31 Historical data on the number of economists employed by government is limited. Relying on a study by White. *Recent Trends in Public Administration*, p.271-272, Church reports that the federal government employed 25 "economic and political science experts" in 1896 (all statisticians) and 848 in the period 1928-31. op cit., Church, "Economists as Experts," p. 599. As a basis of comparison 1,484 federal workers were members of the American Economic Association as of 1994. Total membership within the AEA has remained relatively constant from 1969-1992 at around 25,000. See *American Economic Review*, December, 1993, p. 647 and *American Economic Review* 1989 Survey p. 640.
- 32 The close relationship between neoclassical economic theory and governmental policy and business is examined by E.K. Hunt. Hunt identifies five organizations - the National Association of Manufactures, Foundation for Economic Research, Committee for Constitutional Government, U.S. Chamber of Commerce, and American Enterprise Association - which rely on simplified renditions of neoclassical economics to advance pro-business policies. Commenting on the influence wielded by such organizations Hunt writes: "A congressional committee found that out of \$33.4 million spent 'to influence legislation' \$32.1 million was spent by large corporations. Of this \$32.1 million about \$27 million went to such organizations as these." Hunt, E.K., *Property and Prophets, The Evolution of Economic institutions and Ideologies*, New York: HarperCollins College Publishers, 1995, p. 182.
- 33 The relative low status afforded to Christian economics by the secular economic profession was also evident during the 1880s and 1890s. Ely's forced removal as AEA secretary in 1892 was prompted by a growing concern that religious zeal was undermining the professional influence and prestige of the science. op cit., Coats, "The First Two Decades of the American Economic Association," p. 564. The bias against nonscientific or perhaps more appropriately less rigorous approaches to the science has intensified in recent years. In 1972, Benjamin Ward classified various subfields into the following prestige categories:
- A. microtheory, macrotheory, econometrics
 - B. international trade, money and banking, public finance
 - C. industrial organization, labour, economic history
 - D. economic development, history of economic thought, comparative economic systems
- The ordinal ranking identified by Ward is closely related to the mathematical rigor associated with the respective subfields, a basis of comparison which weighs against the type of unscientific ideas advanced by Christian economists. Ward, Benjamin, *What's Wrong With Economics?* New York: Basic Books, 1972.
- 34 This appears to be Richardson's argument when he declares that Christian economics should be done in such a way as to demonstrate a degree of proficiency and scholarship that would earn the respect of even the most analytically minded economists. op. cit., "What Should Economists" pp. 5-6.

- ³⁵ This was Ely's stated objective when he founded the American Economic Association. While acknowledging that "... economists have been too ready to assert themselves as advocates" he endeavored to exclude economists such as Sumner who advocated *laissez-faire*. Ely, Richard T., "Report of the Organization of the American Economic Association." *Publications of the American Economic Association*, i, March 1886, p. 19.
- ³⁶ The topic at the Jan. 1994 meeting at the Association of Christian Economists was on methodology, with Richardson advocating a neoclassical approach to Christian economics, Tiemstra an institutional approach, and Heyne an implicit approach to the advancement of a Christian agenda. For a discussion of other issues addressed by other Christian economists see various issues of the Association of Christian Economists *Bulletin*.
- ³⁷ This conclusion follows from the low status currently afforded nonprofessional, unscientific approaches to social and economic issues. The current emphasis on positivism also places severe limitations on metaphysical speculations and nonverifiable value axioms and ethics. For a discussion on the influence of positivism on Christian economics see section 5, chapter five.
- ³⁸ op cit., Ely, *Ground Under Our Feet*, p. 140; op cit., Coats, "The First Two Decades of the American Economic Association," p. 556.
- ³⁹ See op cit., Handy, *The Social Gospel*; Hopkins, C.H., *The Rise of the Social Gospel: American Protestantism, 1865-1915*. New Haven: Yale University Press, 1940; White, Ronald C. and C.H. Hopkins, *The Social Gospel: Religion and Reform in Changing America*, Philadelphia, 1976; op cit., *Ground Under Our Feet*, pp. 78-79; op cit., Noll, *A History of Christianity in the United States and Canada*, pp. 304-307.
- ⁴⁰ op cit., Noll, *A History of Christianity in the United States and Canada*, p. 300.
- ⁴¹ While Church argues that the professionalization of the science took place from 1880-1920, the 18th century natural law ideas of Hume and Smith and the 20th Century methodological approach adopted by Ricardo and refined and developed by Senior and Whately can also be viewed as important steps in the development of an "economic science." See op cit., Church, "Economists as Experts"; op cit., Brue, *The Evolution of Economic Thought*; op cit., Ekelund, R.B. and Herbet, R.F., *A History of Economic Theory and Method*; op cit., Schumpeter, *History of Economic Analysis*.
- ⁴² op cit., McKee, *Economics and the Christian Mind*, pp. 175-182.
- ⁴³ Waterman, A.M.C., "Can 'Economic Policy' be Christian?" *Review of Social Economy*, October 1988, pp. 204-205.
- ⁴⁴ Andrews, E. Benjamin, "Individualism as a Sociological Principle." *Yale Review*, II, May, 1893, p. 25; Bemis, Edward W., "Old Time Answers to Present Problems as Illustrated by the Early Legislation of Springfield," *New Englander and Yale Review*, February 1887, p. 123-124; Clark, J.B., "How to Deal with Communism," *New Englander and Yale Review*, July 1878, p. 53-538; Commons, John, *The Distribution of Wealth*, New York: Kelley, 1965, chapter 2; Ely, Richard T., "The Past and Present of Political Economy," *Johns Hopkins University Studies in History and Political Science*, March 1884, p. 30.
- ⁴⁵ op cit., Andrews, *Wealth and Moral Law*, p. 10; Bemis, Edward W., "Socialism and State Action," *Journal of Social Science*, September 1886, p. 37; Clark, John Bates, *The Philosophy of Wealth*, Boston: Ginn, 1886, p. 34; op cit., Commons, John R., "The Educated Man in Politics," *Social Reform & The Church*, pp. 64-65; Ely, Richard T., *French and German Socialism in Modern Times*, New York: Harper, 1883, p. 187.
- ⁴⁶ Andrews, E. Benjamin, "Political Economy, Old and New," *Andover Review*, August 1886, p. 148; Bemis quoted from op cit., Hopkins, *The Rise of the Social Gospel: American Protestantism, 1865-1915*; op cit., Clark, *The Philosophy of Wealth*, p. 40; op cit., Commons, John R., "The Church and the Problem of Poverty," *Social Reform & The Church*, pp. 36-37, 43-44; op cit., Ely, *Social Aspects of Christianity*, reprinted in Handy, *The Social Gospel*, pp. 204-209.
- ⁴⁷ The argument set forth here is similar to American exceptionalism argument advanced by Dorothy Ross. See Ross, Dorothy, *The Origins of American Social Science*, Cambridge: Cambridge University Press, 1991, chapters 2, and 3. For a further discussion of the social, religious, and cultural characteristics peculiar to 19th century America see chapter five, section three.

- 48 Tiemstra, John P. (Ed.). *Reforming Economics: Calvinist Studies on Methods and Institutions*. Lewistown, NY: Edwin Mellen Press, 1990 chapters 2-4; op cit., McKee, *Economics and the Christian Mind*, chapters 3 and 4.
- 49 op cit. Coats, A.W., "The First Two Decades of the American Economic Association," pp. 563-566.
- 50 See Commons, John, "The Value of Study of Political Economy to the Christian Minister," *Methodist Review*, Sept. 1898; Commons, John, "Social Economics and City Evangelization," *The Kingdom*, Parts 1 and 2, Nov. and Dec., 1898.
- 51 Ross, Dorothy. *The Origins of American Social Science*. Cambridge: Cambridge University Press, 1991, p. 115.
- 52 Quoted from op cit., Everett, *Religion in Economics*, p. 56.
- 53 Quoted from Henry, J.F., "John Bates Clark and the Marginal Product: An Historical Inquiry into the Origins of Value Free Economic Theory," *History of Political Economy*, 15:3, 1983, pp. 381-382.
- 54 Clark, J.B., *The Distribution of Wealth*. New York: Macmillan, 1899, v.
- 55 Clark, J.M., "J.M. Clark on J.B. Clark," in H.W. Spiegle, *The Development of Economic Thought*. New York, 1952; Schumpeter, J.A., *History of Economic Analysis*. New York: Oxford University Press, 1961, pp. 868-70; op cit., Henry, "John Bates Clark and the Marginal Product," pp. 388-389; Jalladeau, J. "The Methodological Conversion of John Bates Clark," *History of Political Economy*, 7:2, 1975; pp. 223-224; op cit., Ross, *The Origins of American Social Science*, p. 120.
- 56 op cit., Coats, "The First Two Decades of the American Economic Association," pp. 561-566.
- 57 It is noteworthy that Ely made a conscious decision to be more scientific during the mid-1890's. Church argues that professionalization reflected an effort to insulate the profession from outside meddling on the part of trustees, administrators and the like, and that this was done by arguing that nonprofessionals lacked the expertise to comment on scientific issues. Furner has argued that the professionalization process dampened the type of social and religious efforts engaged in by Ely. Both arguments suggest that an important element of the professionalization process was to separate economic science from nonscientific disciplines such as religion. See Furner, M.O., *Advocacy & Objectivity: A Crisis in the Professionalization of American Social Science, 1865-1905*. Lexington, KY: University Press of Kentucky, 1975, p. 158-162. op cit., Church, "Economists as Experts," p. 589.
- 58 Commons, John R., *Myself*. The Autobiography of John R. Commons. Madison, WI: University of Wisconsin Press, 1963, p. 88.
- 59 Commons, John, "Social Economics and City Evangelization," *The Kingdom*, Part 1, Vol. 11, No. 8, Nov., 1898.
- 60 For an alternative interpretation of American exceptionalism and its influence on the American social sciences see op cit., Ross, *The Origins of American Social Science*, chapters 2, 3, and 4.

CHAPTER 7

MONISTIC AND PLURALISTIC VIEWS OF CHRISTIAN ECONOMICS

1. Introduction

In his paper "Political Economy and Christian Theology," Waterman identifies two broadly defined, dissimilar views of Christian economics. The first view, which he identifies as the traditional or monistic view, is premised on the belief that all knowledge, including economic knowledge, is derived from or refracted through an understanding of God. God's influence and presence in this world, according to this view, is manifested apart from scientific understanding and knowledge, and to ignore this consideration is to ignore information bearing upon all facets of human existence. Theology is therefore viewed as the "Queen of the Sciences, subsuming economics (and all other human inquiry)" under a common centralized understanding of the nature of God and His purpose for this world.¹

The monistic view can be further distinguished on the basis of 'pre-scientific' and 'relativistic' views of economics. The pre-scientific views is best represented by the political and economic pronouncements advanced by the Church of Rome, which up until the publication of *Quadragesima Anno* (1931) held that scientific knowledge should be derived from the spiritual insight of the Pope and the Roman Catholic hierarchy. Forty years prior to this acknowledgment, Leo XIII asserted that the solution to working-class poverty is to be found in the declarations and insight afforded by the church, writing that it is "with confidence, and in the exercise of the rights which manifestly appertain unto us, for no practical solution of the problem will be found apart from the intervention of Religion and the Church." Commenting on this perspective, Pius XI would later write that "the eyes of all, as often in the past, turned towards the Chair of Peter, that sacred depositary of all truth ... whereupon ... the venerable Pontiff taught mankind new methods of dealing with social problems."² While many Catholics would dispute this contention,

McKee apparently does not, acknowledging an obligation on the part of Catholics to defer to the temporal authority and spiritual wisdom accorded to the Pope, a position which links McKee's thought, at least in part, to a monistic view of Christian economics.³

The relativistic view of economics is a more sophisticated variant of this perspective, premised as it is on the belief that scientific knowledge is implicitly dependent on *Weltanschauung*, or the world view the economist brings to his intellectual inquiry. This view is best characterized by the Christian economic historian R.H. Tawney who writes:

There is no such thing as a science of economics, nor ever will be. It is just cant, and Marshall's talk as to the need for social problems to be studied by 'the same mind which tests the stability of a battleship in bad weather' is twaddle.⁴

The neoCalvinist perspective adopted by Tiemstra can be viewed as an example of this variant of the monistic view as were the efforts of Ely, Commons, Clark, et al. to Christianize America.

The second view identified by Waterman is the modern or pluralistic view of Christian economics. Science and Christian theology, according to this view, occupy separate and epistemologically distinct bodies of knowledge, each premised on a mode of knowing which neither validates nor invalidates knowledge outside its respective domain. The knowledge afforded by economic science is derived through scientific inquiry and theological knowledge through revelation and faith. The two are assumed to be mutually exclusive, and apart from the identification and advancement of normative economic objectives, theology provides no relevant information of a scientific nature. Commenting on this view of economic science Kenneth Boulding writes:

Although in life and history religion and economics are inseparably intertwined in the great web of reality, in thought and theory they are quite distinct, and have very little contact. Both theology and economics - along with all other theoretical frameworks - represent abstractions from reality, and hence we should not expect them to cover much of the same material. It is as if economic theory looks only at the black threads, and religious

theory (i.e. theology, in its broad sense) only at the gold threads of a great and complex tapestry.⁵

A pluralistic view of Christian economics may thus be defined as the study or investigation of the relationship between Christianity and economics, where the former consists of knowledge refracted through the 'Christ event' and the latter knowledge accessible to all humankind, irrespective of religious or philosophical beliefs. Christian economics so described is quite inclusive, consisting of subject matter ranging from the relationship between Mediaeval economic organization and Scholastic thought to the relationship between modern welfare economics and the structure and objectives of the Catholic Church.⁶

It is not the subject matter, however, which delineates a pluralistic view of Christian economics, but the assumption that positive economic theory is a science, and, as such, is separate and independent from Christian organizational structure, Christian history, Christian social thought, theology, Christian modes of behavior, etc. Given this premise, the economist can pursue his intellectual investigations with the assurance that the observations, discoveries, and insight he gleans from his effort are not biased by personal preconceptions, or the systemic bias which occurs when the theoretical structure upon which his investigations rest is linked to the process under observation.⁷

All of the orthodox economists considered in this study - Carver, Richardson, Heyne, and Waterman - subscribe to this view of economic science, arguing either explicitly, as do Carver and Waterman, or implicitly, as in the case of Heyne and Richardson, that economic systems can be examined apart from any belief in or acknowledgment of a deity, Christian or otherwise. The role of the economist, similar to that of any other scientific investigator, is to identify and synthesize such data, eschewing any and all beliefs which may color or bias his interpretation of the evidence.⁸

If theology is in any sense related to such facts, this would be clearly impossible, since theological knowledge is acquired at least in part through subjective revelation. This

does not represent a problem, however, since the positive core of economic science is viewed as being no more related to theology than say physics, and it this putative distinction which makes scientific inquiry possible. Theology does, of course, represent a type of knowledge. But it is a knowledge of a different type and obtained by a different method, being known through divine revelation as manifested in sacred text or subjective observation as witnessed in nature (natural theology). Since the method of knowing in economics and theology is distinctive and exclusive of the other, both areas of inquiry occupy separate and independent domains, and it is in this sense that it is interesting to talk about the relationship between the two.⁹

This is the position advanced by Waterman, and while he approaches the subject from that of the dispassionate intellectual observer, he appears to favor the idea of an autonomous, scientifically validated core of economic science.¹⁰ Social ethos, social specificity, culture, theology, history, denominational affiliation, Christian social teaching, and other such considerations, according to this view, have no bearing on the economic relationships which comprise economic science, and efforts to integrate the two do more harm than good.

Despite this view, Waterman favors the habitat view of the economy advanced by Hume, Smith and other writers associated with the Scottish enlightenment; posits self-interest as the ontological foundation of the science, advances the idea of scarcity as an economic principle originating with the fall, and argues that the economic process described by economic science performs an important teleological function. This being the case, the question arises as to whether or not it is appropriate to talk about the monistic/pluralistic distinction solely in the context of the putative scientific status of economics or as part of a broader discussion involving differing views of social and economic reality, scarcity, methodology, economic autonomy, and other such issues. It is to this issue that we now turn.

2. Natural Law and Organic Views of Economic Reality

2.1 Introduction

The monistic/pluralistic distinction identified by Waterman corresponds to two distinctive and quite dissimilar views of economic reality, a natural law view which holds that economic behavior and relationships are predicated on a system of "positive" economic laws and an organic view which holds that economic, social, cultural, historical, political, and religious considerations are inextricably linked in much the same way as the anatomical parts of the human body. A distinct pattern of reasoning corresponds to each view, and it is this distinction which explains, at least in part, why the monistic/pluralistic dichotomy identified by Waterman gives rise to a much different perspective as to the nature and purpose of Christian economics.

2.2 Christian Economics and Natural Law

Implicit to the Christian economic thought of Richardson and explicit to the thought of Waterman and Heyne is the assumption that the market economy is a natural consequence of self-regarding economic behavior, changes little over time, and can be represented by a highly predictable system of relationships or laws. Such laws are held to be applicable to all developed market economies irrespective of culture, history, religion, or other considerations. With some modification Carver would concur with this view,¹¹ and all would concur that neither Scripture nor long-standing Christian doctrine in any sense invalidates or stands in opposition to such laws. Economic laws apply to Christian and nonChristian alike, and whether or not one accepts the moral validity of such laws they, nevertheless, exist and govern all economic affairs.

From a temporal perspective, Christianity represents a beneficial but nonessential element in economic affairs. Economic laws and the choices which give rise to desirable economic outcomes exist apart from the Christian concept of "good," and while the latter may correspond to a scientific understanding of productive behavior, it does not represent

an essential element thereof. This is essentially the idea advanced during the enlightenment and codified as an epistemological wall separating Christianity and science during the 19th century.

The view of economics as a well-ordered, predictable system of immutable relationships, however, is at least from an historical standpoint, a relatively recent phenomena, originating from the 17th and 18th century Newtonian view of science and natural law. Newton, it should be recalled, identified the universe as a wonderfully ordered system of physical relationships. These relationships were deemed to be universally true, timeless, and absolute, and because of this, it is possible to derive a working model of the universe through a generalization of observed data.

Following Newton's lead, it became evident to others that this method of knowing could be applied to all areas of knowledge, and it is here that we witness the emergence of natural law as a foundational basis for modern scientific inquiry and knowledge. Natural law, in this context, does not reflect the "nature of things" as suggested by the Scholastics, but instead corresponds to a scientific mode of inquiry which holds that a self-contained system - universe, ecosystem, economy, etc. - is uniformly explained by the physical relationships existing between the different elements within that system, and that these relationships or laws can be known through observation. Commenting on the role of natural law in the Newtonian approach to science, P.N. Hilyer writes:

Newton was the most eminent physicist of his day. His most far reaching achievement was to formulate the universal law of gravitation to explain the motion of the planets and the behavior of everything in the solar system. The publication of his theory in *Principia Mathematica* (1687) heralded in great advances in science. The universe was seen no longer as an irrational chaos or the place of God's constant and unpredictable intervention. It functioned according to laws that could be calculated and, in principle at least, all its secrets could be discovered by patient and logical inquiry.¹²

Newton was a monumental figure in 17th century European thought, especially in Scotland and England. Such was his influence that variations of his view of a well-ordered, mathematically predicable, and immutable universe made its way into practically all areas of enlightenment thought, including theology, as witnessed by the emergence of natural theology, and economics as witnessed by the writings of Smith, Hume, and Dugald Stewart. Together these two developments gave rise to what David Hume referred to as "moral Newtonianism."¹³ Smith's 'invisible hand,' fits nicely into this scheme of things, evoking the image of a providentially ordered grand system, not unlike that posited by Newton in his description of the physical universe. In much the same way as Newton's universe is held together or framed by a system of laws, the economy in Smithian thought is held together or framed by an "invisible hand," and this through the independent, self-regarding behavior of disinterested individuals. Commenting on Newton's influence on 18th century Scottish Political Economy, H.F. Thorton writes:

The main impetus towards the formulation of political economy in Scotland came through an understanding that natural science is a system, and moral science might undergo improvements like Newton's system if experiments are carried on in a similar manner. The search for a "moral Newtonianism" must be considered the main source for both Hume and Smith. This required comprehensiveness, coherence among the parts of the system, accountability for all the observed facts, and a persuasive style. The facts could be arranged to illustrate the generalizations, and not necessarily to support an inductive proof. Their works might have seemed to Bacon, Hobbes, or Petty to border on metaphysics and deductive rationalism. But the members of the Scottish school were convinced that simplicity, clarity, and literary elegance were necessary features of investigations in the moral sciences.¹⁴

An 18th century Scottish theologian would have little difficulty with this view, equating Smith's 'invisible hand' with the system of laws which frame all elements of God's creation, and it is here that we witness the intrusion of theological ideas into 18th century political economy. A theological view of economic beneficence is explicitly evident in Paley and Sumner's natural theology accounts of economic systems as described in

Waterman's *Revolution, Economics and Religion*,¹⁵ and implicitly evident in the thought of such secular economists as Smith, Hume, and Steward, who avoid any explicit mention of the creator. To discount the influence of theological ideas on the thought of 18th and 19th century political economy is to view the thought of these writers through the 20th century prism in which we live, ignoring the philosophical milieu which made the Scottish enlightenment such a influential period in the development of human ideas and economic science. Commenting on the intellectual influence of the Scottish Presbyterian Church on political economy, Salim Rashid writes:

What then were the contributions of the Scots-Presbyterian milieu to the economic views of the Scots? Let us take the principal concept discussed by modern libertarians such as Hayek - the idea that beneficence and coherence can be obtained through actions undertaken with no such good intentions. In sermons preached during and after the Jacobite rebellion of 1745, both Adam Ferguson and Hugh Blair emphasize just this point. Ferguson tells his troops in December 1745 of the Jacobites and French that

they are only made tools to serve Purposes very different from the Ends they propose to themselves [*Church and University...*, 1985, p. 42].

In May 1746, Hugh Blair reports of the same events that God

makes the unruly Passions of bad Men work in a secret way, towards Ends, by them altogether unseen [*Church and University...*, 1985, p. 43].¹⁶

Rashid goes on to write:

A historian of economic thought with the widest erudition, Jacob Viner, wrote that *laissez-faire* was simply the application to economics of concepts long familiar to theologians and moral philosophers. While some work has been done, notably by Milton Myers, in elaborating upon this important statement, it needs emphasis that such thought patterns appear to have been commonplace among Scots-Presbyterian congregations [Myers, 1983].¹⁷

Much of what we know as modern economics can be traced to 18th century "moral Newtonianism." Economic laws became the linchpin of classical and neoclassical economics during the 19th century, providing a systematic and uniform basis for economic theory and understanding. Economic laws framed the choices available to various economic entities, and by the early 20th century economic science had been redefined as a science of choice in a world of scarcity. The choices people make, according to the more recent variant of this view, are the determining factor of all economic outcomes, and whether or not one is a Christian or non-Christian is of little importance, since all individuals are assumed to face the same economic dilemma.

This is the argument advanced by Carver in *The Religious Worth Having*. It was Carver's contention that a system of physical reality characterized by natural selection determines all elements of human life, including human beliefs, social ethos, the economy, and, of course, religion. It was God who established this system of physical reality, and having done so He placed the responsibility on man to abide by the system He established. Whether or not humankind acknowledges this truth makes little difference: those who abide by God's laws will prosper, reaping the rewards of the productive life; those who do not will be impoverished, a just recompense for reckless, profligate living. This is the law of nature, and over time economic systems, cultures, and religious beliefs will reflect this truth - those which do not will be selectively eliminated. It therefore follows that the economy and social ethos are in the long run irresistible to change, being set in motion by the inexorable forces of nature, and it is these forces which frame the nature of human existence, giving meaning and purpose to all other considerations, including economic relationships and religion.¹⁸

While Richardson, Heyne, and Waterman would not go so far as to argue that economic laws dominate theological considerations, they, nevertheless, believe that economic systems are impervious to social and religious influences.¹⁹ This belief rules out any direct or indirect influence economic science may have on theology or theology on

economic science. While the economy may influence social ethos and through this religious practices and beliefs in a way judged undesirable by Christians, this does not imply that the economy or economic science should be Christianized. The economy, it is argued, is governed by a set of immutable laws, and economic science simply mirrors such laws. The solution to the secularizing influences of market economy is not to mix Christian views of right and wrong with economic science nor to tinker with the workings of the market economy, but rather to focus on the positive influence Christianity as a religion has on economic objectives.

Waterman introduces a second element into the discussion: the role of God in economic affairs. The problem of scarcity, he argues, set in motion an inexorable process culminating in the establishment of the modern market economy. Because of the fall humankind is blinded to the needs of others, a result evidenced by the self-regarding behavior of most individuals and economic entities. It is God's nature, however, to bring good out of evil, and it is here that we observe the largely beneficial effects of the market economy, engendering an unparalleled level of economic output and this despite the self-regarding objectives of the individuals who comprise the economic system. Implicit to this argument, however, is the belief that the system so established is neither influenced by Christian modes of behavior as suggested by Ely, Commons, Andrews, et al., nor obviated by Godly obedience as suggested by Tiemstra, and, it in this sense, that we observe a parallel between Waterman's view of God's role in the establishment of the economy and that set forth by Carver.

Among the unforeseen consequences of this view of economic reality is the separation of theology from economic science and the Christian church from economic affairs. The decline of the church as a temporal authority can be traced as far back as the 17th century. The rise of the nation state, changing economic and social structures, and evolving views of church and state all contributed to a general diminution of church influence

and power, and by the late 19th century ecclesiastical authority was essentially reduced to that of moral leadership and political persuasion.²⁰

Concomitant changes in religious practices and understanding provided, at least in England, the theological rationale for an independent and largely pluralistic society. From the natural theology literature of the 17th and 18th centuries, it was argued that all of creation including the economy is established by an all powerful and benevolent God. This being the case, what is good and benevolent should be evident in the nature of things and, in the case of the economy, this was evidenced in the bountiful productivity arising from a largely unfettered market economy. Economic encumbrances, according to this view, were not only superfluous and counterproductive, but contrary to God's will.²¹

Not all Christian churches and Christians, however, were quick to accede to economic pluralism and it was here that the economic work of Whately and a more pluralistic view of Christianity came into play. Richard Whately, Waterman informs us, facilitated the break between the "positive" core of economic science and orthodox Christian theology by arguing that both realms of knowledge comprise essentially distinct and dissimilar modes of knowing, Christian theology being predicated on faith and economics on empirical evidence and reason. While this does not imply that theology is unrelated to economics - the intersection between the two being that of natural theology, it does suggest that Christian theology has little or no application to the economic laws which comprise the core of modern economic thought. Christianity is, of course, related to the objectives of economic endeavor, and it was this distinction which Whately used to maintain a Christian role in economic policy, forestalling the efforts of the "philosophic radicals" to advance a purposely atheistic social and economic agenda.²²

A related development within various Protestant churches took the emerging secular view of economics one step further, identifying personal salvation and one's relationship with Christ as the only true focus of the Christian faith. Taken to its logical conclusion, this position would not only sever Christian thought from the positivist core of

economic science, but from normative intrusions as well. If, as suggested by Christian separatists, the Christian should live a life of faith detached from worldly desires and ambitions, then it would only be reasonable that he should refrain from so-called Christian efforts to change the world. This argument was not uncommon in the weekly sermons of various 19th century evangelical churches, and it is a position not unlike that of Heyne who argues that the idea of Christendom is a heresy.²³

Pluralism thus appears to be have many different origins and variations, originating from the well-ordered mechanistic system advanced by Newton; from the enlightenment views of Smith, Whately and others; and from the insular view of Christianity advanced by evangelical Christians during the 19th century. In all such cases, the effect was to sever economic science from the reformation view of the Christian church as the source of economic knowledge, guardian of the poor, and arbitrator of economic affairs.

While this transformation is largely attributable to changes taking place outside the discipline of economics, the changes which took place within the science are not without importance. The view of economics as a system of laws clashes with the view of the church as the final authority in all temporal issues. The views emanating from various church bodies can and often do differ with the "positive" economic relationships and laws identified as the unassailable core of economic knowledge, and, in such instances, the orthodox Christian economist must pass judgment on what he considers to be most appropriate for this world, religious authority over secular affairs or economic truth as he understands it. Carver notwithstanding, the orthodox economists considered in this study have opted for the latter, a position which necessitates a demarcation between the authority and role of the Church and the authority and role of economic science.

2.3 Christian Economics and an Organic View of Society

The second view - advanced by Ely, Commons, Clark, Andrews, Bemis, McKee, and Tiemstra - portrays a much different view of reality, one premised on an organic view

of humanity. All humans, according to the Christian perspective of this philosophy, are created by God and, as such, should be afforded the respect and dignity God intended for all humankind. It is further argued that God created each individual with a specific purpose in mind and that from a corporate perspective no one individual is more important than any other, all being part of the community of man and all being invested with a corporate purpose as established by the Almighty. ²⁴

The analogy often used to describe this relationship is the human body, wherein all of the anatomical parts operate in a distinct yet essential way. Similar to the human body, no one component of society, including most conspicuously the individual, is any more important than any other. While some individuals and economic entities perform a more prominent function, they do not operate in isolation, depending as they do on the less prominent members of society to accomplish the overall objective of society. Society has a purpose apart from the collective pursuits of individuals; its members have a responsibility towards all other members; and all social and economic entities interact with and are dependent on all other entities.

An organic view of society has profound implications for economics, implying among other things that economic decision makers should account for the needs and aspirations of others when making economic decision; that economic preferences are not subjective, but reflect the cultural, historical, and social makeup of society; and that institutional structures should be evaluated on the basis of whether or not they represent the collective interest of humanity. Tiemstra appears to be advancing this argument when he identifies stewardship as the metaprinciple for the establishment and evaluation of all areas of economic life. Decisions pertaining to family, work, business organization, investment, government, international aid, etc., he argues, should transcend individual self-interest, reflecting Christ's redemptive will for a fallen world.

McKee advances a similar idea in his discussion of the state. Drawing from the thought of Aristotle and early Christian writers, "the state," he declares, "is ideally a

communion as opposed to a mere grouping of individuals, families, and lesser communities." It should endeavor to promote the common good, and this is to be accomplished through a recognition of the social, fraternal, and communal relationship linking various members of society. "The obvious analogy is that of the body, the good of which includes and yet is greater than that of its parts taken individually." The state should therefore be regarded as "bodylike or organic in the sense that the different parts of it have different functions, where each must be respected and all contribute to the good of the whole." This is essential if the state is to honor the long-standing Catholic principle of subsidiarity, "holding that superior and stronger parts of the body politic ... respect and leave in place the proper functioning of lesser parts."²⁵

Writing a century earlier, economists such as Ely, Commons, Clark, Bemis and Andrews advanced a somewhat different perspective of an organic social system. Concerned as they were with the injustices perpetrated by unbridled capitalism, prevailing economic theories, and religious and social views which at best ignored social injustice and at worst sanctioned it, they looked to a fundamental transformation in the views and socio-economic relations linking all elements of American society.

Andrews and Clark believed this was to be accomplished by altering prevailing economic laws and institutions. The acquisition and use of wealth, Andrews argued, is not without social responsibility, being subject to long-standing Christian precepts and 'moral law.' Because of greed and self-interest, individuals and other economic decision making entities cannot be counted on to behave in a socially responsible way, and apart from appropriate moral foundations there is no reason to believe that capitalism will effect a just and moral solution to the problems besetting society. "After all," writes Andrews, "the worst trouble with great corporations, is that, in a very true sense, they have no souls."²⁶

Clark takes Andrews' argument one step further, looking towards a fundamental transformation in economic relations as a solution to America's moral dilemma. Prevailing social and economic relations, he argued, engenders class conflict, undermining rather than

promoting the spirit of brotherly love central to Christian thought. 'The tie that binds,' he declared, is an enduring Christian principle and it only because of evolving social and economic relations that Christians had become divided among themselves. The solution is to eschew the combative system of market driven wage determination in favor of a church sponsored system of arbitration. Only then would economic relationships conform to the evolving moral 'sense of right,' restoring the classless fraternity of Christian love typified by the First century church and the Eighteenth century Puritans who settled in New England.²⁷

Both writers agreed that individualism was not the answer. True progress, they argued, could only be achieved by establishing a legal and institutional framework which places economic justice and the needs of the poor above the advantages accruing to the privileged few. The issue in their view went beyond income distribution and a just claim on the economic output of society, reflecting the social relations linking one member of society to the other. Andrews emphasized the common weal or the belief that the collective interest of society should be promoted over individual self-interest. Clark identified a 'moral sense of right' as the mobilizing force behind social and economic change. In both cases, Christians in a spirit of fraternal love are to look beyond their own interest to the interest of others, the community, the nation, all of humanity. This transformation must be accompanied by legal and institutional changes, which both writers believed would foster the type of fraternal cooperation they envisioned.

Ely, Commons, and Bemis adopted a somewhat different approach, arguing that a fundamental, grassroots change in the perception of Christian America offered the best long-term solution to the divisiveness pitting one American against another. "Individualism," writes Ely, "... is anti-Christian, because it means social isolation and disintegration." "Individual salvation," he goes on to declare, "in the strictest sense of the word, is an impossibility, because it implies a denial of that which is fundamental in Christianity." Bemis expresses a similar sentiment when he bemoans the moral dualism

characteristic of 19th century evangelical Christianity. Commons argued that the errors associated with orthodox economics and individualistic philosophy could be traced to ignorance and isolation. One only need to spend time in the slum or tenement house to see the fallacy of *laissez-faire* economics and social Darwinism.²⁸

Ely, Commons, and Bemis looked to grassroots activism as a means towards uniting Christian and nonChristian America in a spirit of fraternalism and cooperation. While this approach is distinctly different from the legal and institutional changes sought by Andrews and Clark, or the principles of stewardship and economic justice advanced by Tiemstra and McKee, their objective is much the same: to effect a fundamental transformation in the views and beliefs ordering all economic activity. Individualism and the apologetic arguments advanced by orthodox economists, all of these economists agree, are mired in a distorted view of economic reality, failing to account for the psychological, social, historical, cultural, and religious considerations influencing economic relations and behavior. By failing to acknowledge this truth, individualism contributes to sin, abrogating the universal concept of love uniting all humankind.

Finally, those economists who subscribe to an organic view of economic reality are highly critical of the pluralistic social ethos which has held sway over Western civilization over the past two centuries. The economy, economic science, nor any other area of life, these economists would argue, can be separated from the authority and dominion Christ has over this world. To do so is to deny the preeminence of Christ in worldly affairs, "placing man," in the words of Abraham Kuyper, "on God's throne."²⁹ This view is evident in the thought of Tiemstra who similar to other Christian Reformed scholars argues that secularism and all that it has wrought is a scourge to humanity, emphasizing wealth over all other considerations, distorting the concept of justice, and demeaning the role of Christ and His church in human affairs.

The heterodox economists Ely, Commons, Clark, et al. were similarly critical of a pluralistic view of society. All of these economists were sympathetic to the New England

communitarian ethos associated with the early Puritans settlers. Although the Presbyterian and Congregational churches associated with this tradition had diminished in terms of relative size and influence by the 19th century, the ethos they helped establish was still very much evident, and it was this ethos these writers looked to as a model of Christian America. This tradition emphasized a humble Christ-like attitude toward work, wealth, and social and economic justice. The Christian, it was argued, is not in this world to accumulate wealth or distance himself from oppression or mankind's many problems, but is called to serve Christ in all matters of life, including that pertaining to politics, social relationships, and business.

McKee is also critical of a pluralistic view of society, writing "that Western civilization and its off-shoots in different parts of the world risk disintegration, just as past civilizations have ended." At least superficially, the cause of this breakdown can be traced to two World Wars, materialism and urbanization, falling population growth, etc., but at a deeper level the problem appears to involve a lack of faith and values. "For centuries," McKee writes, "European civilization has basically reposed upon Christianity," and although "the Christian religion has been misused in many applications" over the centuries, it, nevertheless, provided a "center of stability for ... personal and social lives." He goes on to write:

The disintegration we are experiencing seems to be primarily this: So long as Christian faith and its attitudes of mind and standards of conduct were in place, the questioning of the Renaissance, rationalism and free thinking, individualism, positivism, and many other divergences could be contained and good things they offered absorbed into the mainstream. But now the framework itself and the foundations of faith and values are to all appearances dissolving, at least for a majority of the populations concerned. As Christians see things, social, economic, and moral disorders are linked and the first two cannot be solved merely by institutional reforms.³⁰

As a member of the Catholic church, McKee also believes that he has an obligation to concur with the monistic view of church and state advanced by Pope John Paul II, and

this implies an acknowledgment and reverence for Papal views and pronouncements pertaining to economic, social, and political issues. Implicit to this view is the belief that the world is subject to the teachings and authority of Christ, and as Christ's anointed instrument here on earth the Pope is vested with the authority to speak on Christ's behalf. This view was affirmed in the late 19th century papal encyclical *Rerum Novarum* (1891), in *Quadragesima Anno* (1931), and, most recently, in *Centesimus Anno* (1991).³¹

3. Scarcity

3.1 Heterodox View of Scarcity

Unlike the orthodox economists considered in this study, Tiemstra, Ely, Clark, et al. do not view scarcity as the basis for humankind's economic dilemma. Scarcity, or the problem of human wants continually running ahead of humankind's ability to satisfy such wants is simply a manifestation of the deeper moral dilemma facing fallen man. Nonessential or unhealthy wants, sloth, personal irresponsibility, greed, and selfishness as manifested in an unwarranted maldistribution of wealth are the source of humankind's many economic problems, and any solution to such problems must account for the consequences of sinful behavior. This sentiment is aptly captured in Bemis' assessment of Puritan New England: "With a rich soil, good climate, and such foresight in legislation as to secure to every head of a family a fair means of self support, pauperism would hardly seem possible, yet intemperance and thriftlessness bore the same fruits then as now."³²

Commons advances a similar argument when he attributes poverty not to any "single cause, but rather ... a network of causes and effects." "Long hours and low pay," he continues, "are causes of intemperance and poverty, and intemperance and poverty are causes of long hours and low pay."³³ Human behavior, however, is not immutable, being influenced and determined, at least in part, by intergenerational beliefs and modes of conduct, environmental factors such as poverty and harsh working conditions, psychological stress associated with financial insecurity, and a variety of other considerations. A

knowledge of such issues affords the Christian economist with a basis to study man's economic dilemma, providing the information he needs to advance the type of Christian social environment deemed essential to economically productive behavior.

The holistic approach suggested here is, of course, quite different from that advanced by most 19th century orthodox economists. Rather than viewing the problems of poverty, unemployment, poor nutrition, insufficient or unsafe housing, sanitation, etc. as one of inadequacy, Commons viewed all such problems as a consequence of human behavior. Physical limitations are the result rather than the cause of human misery. "The machinery and inventions, the aids to production, all that go to make up the wealth of our country," he writes, "are so abounding that if the American people seriously wished it, there would not be an able-bodied pauper or tramp among us."³⁴ But the American people do not seriously wish it, and herein lies the roots of poverty and economic deprivation.

The Christian community, Commons goes on to argue, possesses all the tools necessary to effect a fundamental improvement in the economic conditions of the lowest class of citizenry. He writes:

We have got beyond that age of materialism which ascribes social conditions to the workings of so-called natural laws which man cannot modify. Social conditions are the result of the human will. In our country this means Christian human will; for it is the Christian whose wealth and intelligence control legislation, and whose wealth and intelligence in private affairs outweigh all other private influences.³⁵

What is lacking, however, is an understanding of the sources of poverty, a knowledge of what could and should be done, and above all else a collective will or desire to see justice served. The influence and wealth of the Christian middle class and rich, Commons concludes, are such that if Christians only abided in the teachings of Christ the problems besetting America would surely disappear.³⁶

Clark shared this view. Unlike his later writings where he identified differences in marginal product as an explanation of differences in income and wealth, Clark's Christian

thought was premised on the notion of a just society. Similar to Commons, he looked upon economics as a moral science, believing that a moral "sense of right" rather than market considerations should dictate wage rates and other issues pertinent to the production, allocation, and distribution of wealth. The distribution of income, he argued, reflects the power and influence of the privileged classes and, as such, fails to conform to the sense of right and wrong which was gradually emerging throughout Christian America. The role of the Christian church and Christian economist is to implement this sense of right, providing the moral high ground, methods, and knowledge to achieve this end. It is morality and not scarcity which defines the role of the economist, and it is from this vantage that he advances policy prescriptions.³⁷

Being among the first American scholars to study in Germany, it is not surprising that Clark placed greater emphasis on historical and social considerations than many of his more orthodox American counterparts. Neither the German Historical School nor the various versions of socialist thought popular in Europe during the time Clark studied there emphasized scarcity or population as an important determinant of human behavior or economic distribution. Economics, according to European heterodox thought, could only be understood in the context of the culture and historical developments of a particular society. Prevailing patterns of ownership, legal and institutional structures, and political control are assumed to be of crucial importance, and it is these considerations and not universal economic laws which determine what is produced and for whom.³⁸

Clark adopted elements of this view as did Andrews, Bemis and Commons, but it was Ely who was most influenced by continental thought. A student of the famous German historical economist Karl Knies and a prolific writer on European socialist thought, Ely was generally sympathetic to the nonmaterialistic ethos advanced by these schools of thought. "Socialism," he writes, "[is] at its best is not materialism. The animating purpose of high-minded socialists has been the subordination of material interests to higher ends. They object to society at present because they hold that it is materialistic in its tendencies,

subordinating the highest ends of life to material pursuits."³⁹ The more enlightened socialist writers, Ely declares, had correctly diagnosed the economic problem besetting man as that of unnecessary wants rather than insufficient supply, and while this does not deny the existence of scarcity it affords a much different solution to the problem, emphasizing a transformation in human wants rather than the decision making process by which such wants are satisfied.

Unlike classical and neoclassical economists who view economic wants as a product of subjective preferences and thus outside the purview of economic science, Ely held that a higher moral law, the law of Christian love, was operative in this case and that the economist not only should consider this law in his economic writings, but an obligation to do so. Both the Christian and nonChristian alike are under a moral responsibility to deal with their neighbors in a honest and loving way, and insofar as the stewardship of our material possessions will indirectly influence our neighbor's welfare, humankind is not given free reign to do what he chooses with what he owns. He writes:

There is one law, and only one, taught by the Christian religion and [that is] ... the law of love, which finds expression in the social law of service. Christianity and ethical science agree perfectly. Social welfare is the test of right conduct. All right laws which regulate human relations have in view the well-being of society, and they are all one. Thus it is true that he who breaks any one law breaks all, for they have one source and one purpose. ... When you utter unkind words, when you neglect an opportunity to lend a helping hand, when you spend material wealth to gratify whim, caprice, vanity, instead of to accomplish worthy ends, you have broken the same law which has been violated by the criminal classes in our prisons and penitentiaries.⁴⁰

The economic world, Ely appears to be arguing, is not one of finite resources manipulated in such a way as to meet man's wants, but rather a world governed by a higher law which informs man's judgment of not only what to want, but the process by which such wants are realized in economic endeavors.

Tiemstra echoes this sentiment in his critique of the materialistic ethos of Western society. Reflecting the views advanced by other Christian and Dutch Reformed writers, Tiemstra argues, that the life-style of modern man does not conform to what God desires for this world, driven as it is by a belief system which emphasizes ever higher levels of consumption. The end result is a distorted view of work and family, with people placing far too much emphasis on income and far too little emphasis on personal and social relationships. Women have become over burdened with the dual responsibilities of earning additional income and caring for the family; debt and marital strife has become a systemic part of American life; and television has become the great social pacifier, rearing an entire generation on the virtues of materialism and self-gratification.⁴¹

At a more fundamental level, the religiously premised solution to humankind's economic dilemma advanced by these writers calls into question the very idea of scarcity as an operative concept. The world, Tiemstra, Ely, Commons and Clark argue, is not governed by natural laws and man's ability to adapt to such laws, but by God's bountiful blessings. Physical constraints play little or no role in this view of reality, and if they appear to do so it is only because man has failed to recognize that the labor, technology, and resources used in the production of goods and services have been provided as part of God's divine love for humanity. Scarcity or insufficiency is not a consequence of natural limitations, but of sin, and in the absence of sin, it would have no place in this world.

Clark and Ely appear to be making this argument when they suggest that scarcity no longer presents a serious problem in the modern world. What matters most is an obedience to the teachings of Christ, and by this they mean the liberation of humankind from the erroneous belief systems, social devolution, and institutional structures which entrap people in a life of sin and degradation.

Tiemstra addresses the issue more squarely, arguing that the very fact human needs have not been met is not so much a result of a failure to abide by physical laws, as a failure to be obedient in the fullest sense of the word. Obedience transcends the rules of conduct

that apply to a fallen world, including as it does faith, a Godly perspective of what is good, and stewardship over one's own life and the world God has bestowed to all humankind.

Tiemstra writes:

We do not think the idea of scarcity is really necessary to the definition of economics, inasmuch as scarcity makes sense only in the context of the attempt to satisfy unlimited wants in the face of limited resources. This need not be the case at all. We believe, rather, that the resources of the creation are sufficient to meet all legitimate human needs, and therefore the emphasis of the analysis ought to be on what constitute[s] responsible stewardship of the earth's resources in meeting these needs.⁴²

As a Catholic economist who "is sympathetic to a middle way between too rarefied abstraction and a mere generalized description of institutions,"⁴³ McKee adopts a qualified position towards the issue of scarcity. While concurring in a general sense with the major propositions set forth by mainstream economics, he believes that the narrow focus of the science leads to a systematic misinterpretation of truth. Scarcity is a prime example. To declare that "shortage of means in relation to competing wants" is an economic problem is, of course, a valid proposition. "The Christian," McKee writes,

can accept this but interprets it according to Genesis (3:17-19): After an original fall from grace - some cataclysmic event that introduced potentiality for evil and living in disharmony with God - the human race became compelled to work hard to earn the means of livelihood and comfort, and this entails choice of means. In this case, the economic problem is the need to manage work well in relation to our needs and welfare (where economizing is only one aspect), and economic science studies this behavior.⁴⁴

This, however, is only part of the story. It is one thing to suggest that choices have to be made in the presence of competing wants and quite another to say that scarcity is *the* subject matter of economics. McKee writes:

Taken in an absolute and overall sense, the resources of the world are not scarce at all. Of course, there are regions into which too many people crowd or that lack sufficient water or good land. But the earth as a whole has never lacked and does not prospectively lack resources in the broad

sense, and history shows steady adaptation and creativity as we solve apparent shortages with new discoveries or inventions, as man is meant to do.⁴⁵

Elsewhere McKee writes:

The economic problem is said to be the need for choice before scarce means. But the distinction between means and ends is a semantic trick... the resources of the world, means in the widest sense, are not absolutely scarce at all. In reality the economic problem is the work necessary to adapt resources to needs - economizing (maximizing in effect) is only part of it - and this accords with a Christian approach to economics. The Bible is replete with statements of this sort and, as remarked, John Paul II specifies such 'co-creation' as the object of work.⁴⁶

By claiming that the study of choice in the presence of scarcity is value-free, other values or objectives such as efficiency, rationality, Pareto optimality or some other criteria take on a value-laden meaning. Such criteria are obviously not Christian in origin, and what started out as neutral scientific investigation ends up as a nonChristian social philosophy. Scarcity, McKee argues, does have a valid place in economic science and in Christian economics, but certainly not to the exclusion of all other considerations. People are invested with a sense of justice as well as other virtues and these latter considerations will induce people to make decisions which do not conform to the economizing assumption upon which mainstream economic science is premised. Moreover, Christian behavior is not irrational, does not reflect limited or asymmetric information, satisficing, or any other humanistic explanation, but reflects the divine will of God in this world, and a science which fails to acknowledge this truth is not only antithetical to Christianity, but a distortion of truth.⁴⁷

Suffusing the thought of all the heterodox economists considered here is the idea that the individualistic, self-regarding "economic man" set forth in 19th and 20th century classical and neoclassical economics is not only a fiction, but an immoral rendition of truth. The problem of choice in the presence of competing wants cannot be separated from social, psychological, historical, and religious considerations, and it is perhaps this latter

consideration which accounts for the abiding belief on the part of heterodox Christian economists that the source of the human economic dilemma has more to do with sin than scarcity. It is only through the liberating power of grace and the guidance provided by the Gospel that men and women can escape from the economic circumstances which confound their existence.

3.1 Orthodox View of Scarcity

Carver, Richardson, Heyne, and Waterman would agree at least in some measure with the assertion that disobedience is the fundamental origin of economic problems, but would argue that this does not obviate the principle of scarcity in economic science. Reflecting as it does the fallen state of man, scarcity they would argue is systemic to all economic systems, all nations, all cultures, and all individuals irrespective of religious belief or social custom. All of these writers agree that a significant part of what we know as economics is defined by this concept, being reflected in the economic laws or relationships which shape all economic systems. Such laws, they would further argue, are immutable and unyielding, and whether or not one acknowledges or is even aware of such laws they will, nevertheless, frame the choices made available to all economic entities.

While the existence of scarcity can be viewed as a curse, the physical laws which God has established - and economic laws would be included among these - afford a clear directive as to how to order human affairs. This, of course, implies a knowledge of obedience to such laws, and to deny this even as part of mistaken devotion to Christ is to court economic ruin. God has established physical constraints and a knowledge of how to live in the presence of such constraints, and it is man's responsibility to abide in the system He has created. This implies a world governed by choice, and while these writers may disagree as to what constitutes the appropriate set of choices, a consensus exist that the blessings of God are contingent on such choices.

Carver's system of divinely ordained rewards and punishments represents the most explicitly developed rendition of this view. The world, Carver argues, reflects God's sovereignty. It is man, not God, which must adapt, and this implies that man must make the right economic choices given the economic reality He has established. Childish faith or ostensibly moral but economically nonadaptive behavior, Carver argues, is counterproductive, engendering more often than not undesirable economic outcomes. Prosperity can only be realized by making the right economic choices, and the "religion worth having" reflects this truth.⁴⁸

By superimposing a religious belief system on an economic postulate, Carver has established scarcity as not only the defining characteristic of economic science, but of religion as well. Insufficiency, competition, and survival of the fittest is systemic to this world, and if one is to assume that God created this system, then one must also acknowledge that the operative basis associated with this system is divinely established. To deny this truth is to impute a measure of inconsistency and irrationality to the Creator, a dubious position, indeed. Scarcity, Carver argues, is a fact, and all knowledge - including religious knowledge - should correspond to this truth. The teachings of Christ reflects this reality, providing, more than any other religious or social philosophy, the mode of conduct for surviving and prospering in a world of limited means.⁴⁹

By investing the concept of scarcity with a religious dimension, the concept takes on both a positive and normative economic role. From an operational standpoint, scarcity provides the economist with a framework through which to identify the optimal set of choices associated with a set of desired outcomes. Carver identifies these choices and outcomes as those modes of social and economic behavior which engender a socially cohesive, productive, and secure nation. From a normative standpoint, scarcity, in the Carverian sense, affords greater weight to some outcomes than to others. Astute enough to realize the essential importance of this latter element, Carver could argue with assurance that a socioeconomic system which permitted the biological or social

annihilation of some individuals was not only desirable from the standpoint of normatively premised social welfare, but because it reflected the nature of things and this as a result of God's sovereign will.⁵⁰

Scarcity performs a no less important role in Waterman's Christian economic thought. Relying, in part, on the contributions of the early 19th century Anglican writers Thomas Malthus and Richard Whatley, Waterman advances a systematic argument as to what should and should not constitute the body of Christian political economy. Similar to Carver, he views scarcity as an undeniable part of man's economic existence, and it is on this basis that he challenges the prescriptions and prognostications of various Christian schools of thought which ignore this fundamental truth. The problem of scarcity, Waterman informs us, is reflected in the wants of humankind exceeding the ability to supply such wants, a problem which appears to be related to the attitude of self-interest which characterizes most economic activity. While neither result should be viewed as desirable, a proper understanding of the economy should be predicated on both, and to do otherwise, as many Christian pronouncements of the economy often do, is to do more harm than good.⁵¹

This does not suggest that Christianity should be divorced from economic discussion. Quite the contrary, for as Richard Whately first established during the early part of the 19th century, economics can be segmented into two distinct components - a positive component consisting of economic laws and relationships and a normative component consisting of those outcomes society deems to be most desirable. While Christianity has little to offer with regard to the former, it has much to offer with regard to the latter, providing society with a set of outcomes most closely associated with the teachings and doctrines of Christ. The role of the Christian economist is to aid the Christian community in identifying a consistent set choices and outcomes.⁵²

Similar to Carver, Waterman views productivity growth rather than a diminution of wants or a transformation in social and economic relations as the best and perhaps only

solution to man's economic dilemma. Various Christian schools of thought, he argues, have erred in judgment, placing undue emphasis on the latter while ignoring the tremendous progress and good associated with the former. The Catholic Church is especially culpable in this regard, advancing a system of social and economic ideas which seriously misconstrue the entire issue, confusing cause and effect, and imputing economic evil to the process of industrialization. Commenting on 19th century Catholic social thought and how its principal proponents misjudged the largely beneficial consequences of economic growth, Waterman writes:

A second and related reason for the hostility or at any rate suspicion of the market economy evinced by papal social thought is a failure to appreciate what was actually happening to the European economy. Though the French Revolution and its aftermath interrupted an economic development well under way before 1789, real income per head in France grew at an average of 1.4 per cent annum from 1800 to 1900 (compared with 1.7 percent for Germany and only 1.2 percent for Britain), meaning that the command over goods and services was doubling every fifty years (Cameron, 1989, p. 235). Yet Villeneuve and the "Catholic School" in general followed Sismondi (a protestant) in attacking industrialization, claiming that the 'accumulation and concentration of capital [and] the universal use of machinery ... would indefinitely multiply the number of the poor.' (DR, July 1837, pp. 178-79). Villeneuve's immediate and pressing concern was relief of the thousands of paupers under his jurisdiction as Prefect of the department of Nord. Lacking an analytical framework within which to investigate the relation between capital accumulation, technical progress and economic growth, he was deceived by appearances into mistaking a correlation between industrialization and pauperism (which he investigated extensively and comparatively) for a causal relation.⁵³

The inability or unwillingness to discern the benefits associated with economic progress, Waterman goes on to declare, continued well into the Twentieth century as demonstrated in the social thought of Gibbons, Kettler, Manning and others, and is still evident in the most recent Catholic encyclical on the economy, *Centesimus Anno*.

Waterman's critique of Catholic social thought is premised on analytical as opposed to philosophical grounds. Villeneuve and those who followed his lead were simply

wrong in assuming that a market economy necessarily gives rise to pauperism. While Waterman is correct in making this assertion, it is by no means clear that economic growth should take precedence over other objectives such as just social and economic relations. Waterman is aware of this subtle distinction, but is no less critical of more recent Catholic pronouncements on the economy which have acknowledged the benefits of economic growth while retaining the "organic" view of economic and social relations. *Centesimus Anno*, he argues, still leaves much to be desired, being premised on a highly unrealistic view of economic reality and positing a set of objectives which are neither feasible nor consistent.⁵⁴

Implicit in this critique is the belief that a system of positive economic relations does in fact exist and that such a system is premised on the overriding principle of scarcity. Waterman supports this position through the thesis first employed by Malthus. Malthus, it should be recalled, defended the *ancien regime* by arguing that economic deprivation and inequality are inescapable parts of human existence. Because of the natural tendency to procreate at an unsustainable rate, the possibility of effecting a solution to the problem of economic inequality and insufficient supply is temporary at best, engendering a social crisis which can only be resolved by returning to the original equilibrium. Given the natural tendency for society to revert to a less than ideal equilibrium, the best that can be hoped for is for humanity to live within the constraints imposed by a finite world, and this by implication means a system of economic reality and outcomes which fall short of what would be ideally desirable.

Economic surplus is, nevertheless, possible, and this, Malthus argues, is best achieved through private property, wage labor, and legal and institutional arrangements which honor the institutions of marriage, church, and government. Scarcity thus serves both a positive and normative role in economic science: providing the basis for the functional arrangements of a modern market economy and the set of normative outcomes deemed consistent and feasible with such arrangements. A paradigm which fails to account

for scarcity will be lacking on both counts, and it is on this basis that Waterman directs his criticism at various Catholic pronouncements on the economy, arguing that such pronouncements are neither operationally viable nor normatively consistent. Both shortcomings, Waterman argues, are inextricably tied to the underlying economic belief system and cannot be remedied short of wholesale abandonment of the economic ideas and concepts the Church has held to over the past two centuries.⁵⁵

Interestingly enough, theology plays a nonessential role in Waterman's critique. The problem of scarcity, he points out, has never been adequately explained from a theological perspective, and short of this feat, any theological defense of a paradigm so derived is incomplete at best. Malthus' early efforts to establish a theological defense of his system of thought was, as Waterman points out, heretical from the standpoint of Christian orthodoxy. Other efforts at reconciling the existence of a perfect and omnipotent Deity in the presence of evil have been similarly lacking, and there is little reason to believe that such a defense will ever be forthcoming. Commenting on the seeming impossibility of ever coming to terms with this issue, Waterman writes:

... The point is that we can never have a fully coherent account of all that we believe about the human condition in this universe. Whichever way we turn we shall find - if we are strictly honest, and rigorous in our inquiry - that we run up against anomaly, inconsistency and self-contradiction. The only possible course is to pin our colors to the best available mast, and then to work away in a small-scale, piecemeal fashion at making as much sense of things as we can, never hoping to find all the answers this side of the grave.⁵⁶

Economic theory represents just such an approach. While economics will never provide a total solution to the problem of scarcity, which Waterman identifies as a natural evil, it, nevertheless, provides some measure of amelioration. He writes:

If economic theories are any use at all they will throw light on the vital question whether or to what extent a particular social evil is natural or moral; and sometimes in the latter case, just which people to blame. If unemployment be regarded as an evil, for example, economics may show that

a particular percentage unemployment rate is 'natural' in the sense first, that any attempt to alter it will produce side-effects, that are worse than the cure, and secondly, that the 'natural' rate will eventually reappear whatever the government may do to try to stop it. (In this somewhat rare case the word 'natural' means pretty much the same thing in economics as in theology.)⁵⁷

It should be evident that economic theory, as described here, provides only a partial solution to the problem of scarcity. What may be desirable may not always be possible, and economics is useful only insofar as it demonstrates how to achieve the latter. The very concept of scarcity thus lends itself to a decidedly conservative view of what is and is not possible. By distinguishing between what is possible, such as the "natural" rate of unemployment, and what may be desirable, such as some rate of unemployment below this "natural" rate, economics so construed posits a limited view of social and economic relations and the corresponding outcomes. Commenting on such limitations and their implication for Christian social policy, Waterman writes:

I hope I have said enough already for it to be clear how vitally important it is, when Christians - and other men and women of goodwill - form coalitions to reduce social evil, that everyone should know just which things can be improved and which things cannot. A great deal of energy can be dissipated, and goodwill lost, if we go charging at windmills - or worse still if some of us do and others do not.⁵⁸

An economic science premised on scarcity also lends itself to an individualistic, self-serving view of economic man. Since the role of economics is to distinguish between what is and is not possible, it must predict with some measure of certainty how people will respond to the problem of unsatisfied wants. *Homo oeconomicus* is posited for this very purpose and while "no one," Waterman writes, "was ever so rational or so self-interested...", it makes a lot of sense to start by assuming that most of us are out for number one." Despite the protestations of many Christian economists and theologians, self-interest has both scientific and theological value: scientific in that it "enables us to make predictions which have some chance of being correct and theological in the sense that God uses

self-regarding motives to ameliorate the problem of scarcity. "God," Waterman writes, "brings good out of evil - in this case the fairly small good of economic wealth out of the fairly small evil of human self-love - by making us the kind of beings who left, to ourselves, will create institutions like the market."⁵⁹

The theological rationale suggested here is by Waterman's own acknowledgment less than perfect. Since the problem of scarcity has never been nor is ever likely to be resolved, the most economic theory and its practitioners can hope to accomplish is to provide piecemeal remedial solutions to the economic dilemma facing man. "... there must be a place for us and our trade under the Providence of God. For like the state and market economy, the Dismal Science is both a consequence of sin and remedy for it; and therefore like them, a sign of the goodness and mercy of Him to whose this place exists."⁶⁰

Similar to Carver and Waterman, Heyne's economic thought is premised, albeit in a much less direct and obvious way, on the concept of scarcity. Economic systems, Heyne argues, reflect the efforts and decisions of millions of individuals, each endeavoring to realize his or her economic objective given the limited resources at their disposal. Because individuals are not blessed with unlimited means, they must make difficult choices pertaining to the type of work they engage in, where they live, how much they save, what they purchase, etc., and it is the collective interaction of such decisions which makes the modern economy what it is. Since the problem of scarcity is implicit to all such decisions, it can be viewed as the cornerstone of all economic understanding.

While subscribing to this stylized view of scarcity, Heyne does not tie the concept in any explicit way to his critique of Christian political economy, preferring instead to emphasize its implications for a functional modern economy. One such implication is self-interest. It is simply not possible, Heyne argues, to make economic decisions on the basis of Christian love or good will. Limited information and the complexity of a modern economic system will not permit it, and even if this were not true, economic decisions so based would have the perverse effect of reducing rather than improving social welfare. In a

world of limited means it simply pays to pursue one's own interest, and because resources are conserved and efficiency promoted through such action, all members of society benefit. It was Adam Smith, Heyne writes, who first identified this all important consideration, and it is a truth that many Christian commentators on capitalism simply fail to grasp.⁶¹

The problem of scarcity is also evident in Heyne's discussion on impersonal economic arrangements, the functional role of institutions and economic rules, the relationship between information and economic coordination, and Christian stewardship. In all such instances, Heyne appears to be arguing that limited means necessitates modes of economic behavior which might not meet with the approval of well-meaning but ill-informed Christians. Economic specialization, for example, necessitates impersonal economic relationships, and to return to a more personal system of economic organization implies a rejection of "the economy" and all that it has provided. Economic rules and capitalist institutional structures perform a similar function, ameliorating the problem of scarcity by improving the productive capability of society. The information used by each individual in the production and exchange of goods also ameliorates the consequences of scarcity, helping to coordinate a vast and otherwise unmanageable system of economic activity. In all such cases, individuals must overcome the problem of scarcity, and it is the process of overcoming this problem which makes capitalism so productive.⁶²

Heyne's discussion of Christian stewardship is especially revealing. Because of unsatisfied wants in the presence of limited resources, Christian stewardship does not always represent a viable solution to the social and ecological problems encountered in this world. In support of this contention, Heyne points to everyone's worst case scenario, Los Angeles. Even if the greater part of the citizenry of Los Angeles should experience a conversion of heart, choosing to reduce the number of miles driven per day, it is not clear to what extent this would improve the environmental quality of the city of Los Angeles.

First of all, good stewardship implies much more than simply a willingness to drive less. It implies "getting food to the hungry, drink to the thirsty, ... clothing to the naked,

[and] visiting those sick or in prison"⁶³ and all of this implies driving more. But even if we were to assume that the residents of Los Angeles could accomplish these things while driving less, it is still not clear whether or not conditions would actually improve. Since there exists no mechanism by which to control the number of people moving into or out of the city, the very improvement wrought by a collective change in behavior will engender an offsetting rise in the number of people demanding what Los Angeles has to offer.

Heyne's argument on the existence of an ecological equilibrium and the natural tendency to revert to this equilibrium is remarkably similar to the population thesis advanced by Malthus almost two centuries earlier. In both cases, an improvement in living conditions is undone by an inexorable tendency to consume more, thus diminishing and eventually eliminating any good that may have otherwise been accomplished by the initial change in social behavior or structure. The similarity should come as no surprise since both arguments are premised on an open-ended economic system where any improvement in living conditions is matched by a corresponding rise in the number of individuals who consume the output of society. In the presence of diminishing returns this necessarily implies a diminution of per capita output, and given the initial set of social preferences, a reversion to the original equilibrium.

While the concept of scarcity is foundational to Heyne's economic thought, he makes no effort to link this concept to the teachings and doctrines of Jesus Christ. Christianity, he argues, is a religion of faith and personal commitment, and those who choose to interpret Scripture from any other standpoint, including that of economics, undermine the intent and power of the message. The writers of the Gospel, Heyne informs us, were not concerned about "the economy," for no other reason than that "the economy had not yet been discovered." "What we find in the New Testament is an extraordinary disregard for almost everything in which economists are interested."⁶⁴ Nor were early Christians called to reform society. Theirs was a religion of faith, Godly obedience, and reverence for those in a position of authority, and this, of course, undermines arguments aimed at reforming

the prevailing economic and social arrangements. Verses pertaining to Christian love and the sharing of one's goods and belongings should be interpreted from this perspective and not, as some would have us believe, from the standpoint of social and institutional reform.

This does suggest that Christian teachings on economic behavior do not ameliorate the problem of scarcity. They do. Yet, as Heyne argues, one need not look to the Bible for such an understanding. When the Bible or any other authoritative Christian text is introduced into economic discussion, the debate becomes hopelessly mired in issues relating to interpretation, and not, as it should be, on the identification and application of economic principles. Since these very same principles can be derived from an objective assessment of economic behavior and the relationships which characterize a modern market economy, Heyne sees little advantage to invoking a biblical basis for economic policy other than to establish one's own moral superiority.⁶⁵

Heyne's argument is not unlike that advanced by other mainstream economists who believe that Christian contributions to economic science should be confined to the normative domain. While concurring with the philosophical premise underlying this view, he is skeptical of normative Christian pronouncements on the economy, believing that such efforts will invariably engender polemical conflict. There has never existed, least of all in the last quarter of the Twentieth century, Heyne argues, a universally accepted set of ethical principles upon which to guide the economy, and efforts to derive such a set from the body of Christian beliefs, doctrines, and teachings, have only led to rancorous and acrimonious debate. Such efforts have also muddled the discussion, engendering ambiguous and often inconsistent objectives without any clear directive as to how such objectives are to be realized. A much better course of action, he concludes, is to dispense with religious arguments altogether, framing the discussion in terms of long-standing economic principles rather than a dialogue on Christian social policy⁶⁶

Richardson's economic thought is also premised on scarcity, but in a much more direct and explicit way. "Economics," he writes, "was born at the Fall," and ever since "the

confrontation of unlimited desires with scarce resources [has] forced men and women into regrettable choices called (after many millennia) trade-offs." Economics is the study of such tradeoffs or the "science of decision making under scarcity." To 'economize' is to be efficient and rationale, to waste resources inefficient and irrational, and since it was God who framed the decision making parameters, the former could be looked upon as obedient behavior. "Efficiency and rationality," Richardson writes, "are stewardship principles aimed at the conservation of resources," and this presents ample opportunity for the Christian economist to serve his Creator.⁶⁷

By equating economics with decision making under scarcity and rationality with stewardship, Richardson presents economics as the study of divinely established natural laws and humankind's response to such laws. Implicit in this is the belief that mankind has a moral responsibility to economize on the finite resources God has willed to be "scarce and grudgingly available." Since this is accomplished through a rationale response to the economic circumstances individuals find themselves in, rationality can be viewed as a Christian virtue, ameliorating in some small way the problem of scarcity. Rather than being antithetical to the principles and values of Christianity as some believe, modern economic science supports the precepts and doctrines of Christianity, providing wisdom and direction to a fallen world, and this in accordance with God's will.

This does not suggest that Christian critiques of economics are without merit. Rationality is often equated with self-interest and together these two attributes have give rise to a functionally useful, but unrealistic view of economic behavior. Humankind, Richardson writes, "are not just materialistic, egocentric, immoderate and nothing more."⁶⁸ While such characteristics represent an important part of man's economic nature, they are not the only characteristics motivating economic behavior. Altruism, social concerns, and cultural considerations also explain economic behavior as do changing preferences, inconsistent or irrational behavior, limited and changing information, and spiritual regeneration through

Christ. To ignore such considerations, Richardson argues, is not only antithetical to a Christian view of humankind, but bad science.

There is much about economic science, however, which is to be commended, and developments within the discipline are dealing with these and other problems on an ongoing basis. Nonmarket transactions and solutions to market failure, collective and communal decision making, rolling equilibria, bounded rationality, asymmetric information, and the role of honesty and deceit in economic decisions are just a few of the many developments which has made economic science more palatable to the Christian mind. Even the assumption that economic agents behave in a rationale and predicable way is not essential to the science. "Economic analysis will be accurate as long as an adequate minority respond to economic incentives as predicted." "A little margin leavens the whole loaf."⁶⁹

Further changes are forthcoming, and there is little or no reason to believe economic science will not some day be premised on reasonably accurate renditions of Christian and nonChristian economic behavior, modeling perhaps even the path from economic ruin to economic redemption. All of this represents an opportunity for the Christian economist to make lasting and worthwhile contributions to the profession, appealing "strongly to believers and [providing] areas where we (unlike secularists) can make unique contributions."⁷⁰

Richardson's apologetics are premised on the belief that economic science is synonymous with decision making under scarcity and that a proper response to this dilemma is what God requires from his creation. Similar to the treatment provided by Carver and the implicit arguments advanced by Heyne, God is assumed to have framed the world and it is man's responsibility to accommodate himself to this fact. To acknowledge and abide in this belief through one's economic behavior is, as Richardson reminds us, a rational choice, making the most out of what life has to offer. To do otherwise is by implication irrational, squandering the resources which God placed at man's disposal. Insofar as economics

makes a distinction on this basis, it contains within it strong moral prescription, albeit in a much less obvious way than posited by say Carver.

All of this is premised on the notion that scarcity is applicable to all of God's creation, that there is a right and wrong response to this dilemma, and that 'good' and 'bad' results are uniquely associated with right and wrong responses. 'Good' in this sense reflects God's sovereignty in this world. It is God who placed a limitation on available resources, and to conserve on such resources is from this perspective 'good,' both from the standpoint of the individual who is serving his own interest and the Christian religion which acknowledges God's sovereignty in all worldly matters. Richardson, similar to Waterman, thus views efforts to overcome scarcity as good. Since the science is defined in terms of man's ability to overcome the problem of evil, and insofar as this is held to be good from a theological standpoint, the study of economics is also held to be good. Economic science, premised on scarcity, thus provides what God desires most: a medium through which humankind can better understand and thereby accomplish His will in a less than perfect world, and herein lies the role of the Christian economist.

4. Christian Economic Methodology

4.1 Introduction

From the foregoing discussion, it should be evident that the Christian economists considered in this study can be distinguished on the basis of two dissimilar perspectives of economic reality and scarcity, and it would be reasonable to expect a corresponding distinction in economic methodology. Such a distinction does, indeed, exist, and it is worth considering what this distinction is; how such a distinction corresponds to the monistic/pluralistic distinction identified by Waterman; and the implication differing methodological approaches have for the more general subject of Christian economics.

4.2 Orthodox Methodology

Orthodox economic science begins with a few highly generalized inductive principles - human rationality, self-interest, diminishing returns, etc. - and on the basis of such principles it posits a world in which humankind engage in economic endeavor for the purpose of satisfying "subjective" wants given limited resources. Physical limitations give rise to a system of economic laws or relationships which present a clearly defined set of choices and outcomes to all economic participants. Economic science thus reduces to the study of choice in the presence of scarcity - scarcity being reflected in the prices of all goods and services and choice through the selection of that bundle of goods and services which yields the highest subjectively determined measure of want satisfaction.

Scarcity and choice are assumed to underlie all types of economic activity. The consumer maximizes utility subject to a budget constraint; the firm maximizes profits, sales, or some other objectives subject to a cost constraint; unions maximize wages or working conditions subject to the limitations established by management; voluntary associations maximize social service subject to voluntary contributions of time and labor; and government maximizes services, expenditures, size, etc. subject to a revenue constraint. In all such cases, the decision making process is viewed as well-conceived, methodical, and deliberate.

Implicit to the constrained decision making framework identified here is the belief that economic choices conform to the conscious wants of the decision maker. Choices are assumed to be made on the basis of 'subjective preferences,' and the individual is assumed to rank the want-satisfying power of various goods on the basis of such preferences. The individual, for example, is assumed to choose between the disutility of work and the utility derived from extra income. He makes choices involving current and future consumption, education, when to get married, how many children to have, where to live, what products to purchase, etc. Trade-offs obviously exist between such choices, and if the individual finds that the choices he made in the past do not conform to what he desires in the present,

it is only because he based such choices on a different set of wants at the time he made his decisions. The individual is, at least in some sense, viewed as being in control of his own destiny.

Closely associated with this ontological view of "economic man" is the belief that economic decision makers are rational. Orthodox economic science distinguishes between subjective economic wants and the optimal process through which such wants are met. For any economic decision there exists an economic outcome, and it is assumed that the decision maker will choose the option most closely associated with his preferences and objectives. The economic decision maker, in short, is assumed to be rational, making only those decisions which serve his economic interest, however defined. Apart from this assumption, there is little basis for arguing that observed economic outcomes correspond to unobserved economic objectives, a fundamental tenet of orthodox economic theory.

The view of economic behavior described here engenders a decidedly individualistic view of economic endeavor. Individuals are assumed to engage in production and consumption for the sole purpose of maximizing the utility or minimizing the disutility associated with work, leisure, the consumption of goods and services, etc., and this is done by equating the marginal utility per dollar spent for all goods and services with the marginal cost of producing such goods. In the case of a perfectly competitive market structure, such behavior will give rise to Pareto optimality, a state of affairs where no further improvement in individual or social welfare is possible apart from an increase in productivity or a change in the initial endowments of land, labor, technology, capital, knowledge, etc.

Implicit to such an understanding is the belief that Pareto optimality is desirable, and while perfect competition in all markets does not nor ever will exist, it is an objective that should be sought. Within the discipline of economic science, numerous subdisciplines - the most notable being welfare economics, international trade, industrial organization, labor economics, environmental economics, public choice, and more recent renditions of

macroeconomic - are premised on the relationship between market structure and economic efficiency. Market failure represents a cost to society, and efforts to ameliorate such costs through a market solution is deemed desirable. From the standpoint of Christian economics, such efforts can also be looked upon as desirable, accomplishing the most good for the most people, and it is in this sense that orthodox methodology appears to be highly serviceable to the Christian economist.

Conspicuously absent from the orthodox view of economic science is the role of prevailing economic and institutional arrangements in the economic decision making process. Economic decisions are motivated by subjective preferences which are divorced from the social, psychological, spiritual, anthropological, cultural, etc. considerations which might influence such preferences. While such considerations may influence economic behavior they are viewed as being outside the domain of economic science, and issues relating to social disintegration, exploitative business practices, discrimination, unequal bargaining strength, economic inequality, etc. are presented in the context of individual or organizational choice. The decision making process is confined to observed data such as prices, wealth, time, etc., and it these latter considerations which frame the boundaries of economic choice and economic science.

When viewed collectively, economic decision makers constitute a vast system of independently minded economic agents, each acting in his own interest and each contributing in a small way to the production, distribution, and consumption of the total economic output of society. Since the acquisition of wealth is assumed to be the motive factor underlying most economic efforts, resources are allocated on the basis of pecuniary considerations, with factors of production transferred from one market to the next in response to changing prices and rates of return. Economic entities are assumed to employ resources in an efficient and optimal way, economizing on the basis of relative factor prices, and investment is assumed to be employed up to the point where the marginal net benefit is approximately equivalent to the time preference of current and future consumption. All of

this occurs in a nonpurposeful way, with economic participants generally unaware and unconcerned about their role in the economy, but, nevertheless, contributing to what may be viewed as the common good.

At the theoretical level, the various economic relationships comprising a market economy are assumed to occur naturally in an economic environment which allows labor, entrepreneurs, savers, investors, etc. to engage in the free exchange of economic goods and resources. Empirical testing may invalidate this conclusion, but insofar as it does not, the economic relationships so posited are held to be universally true and predictable. Similar to the 'natural laws' which describe physical reality, orthodox economic science consists of a body of 'economic laws,' and it is on this basis that orthodox economists can argue with assurance that a positive core of economic relationships can be distinguished from the subjective preferences and beliefs which underlie economic decisions.

The orthodox methodology described here is generally associated with the neoclassical economic paradigm.⁷¹ Classical and Austrian economics, however, present many of the same ideas. All three paradigms are premised on the assumption that economic entities operate in their own interest and make decisions accordingly. Economics is not so much the study of how preferences are established, but how economic entities act on such preferences in the marketplace. Choice is the key consideration, determining consumption, production, investment, distribution, economic growth and all other economic outcomes. While many classical economists held that prices are ultimately determined by the amount of labor time embodied in the good, most assumed, as do Austrian and neoclassical economists, that a high degree of predictability exists between choice and outcome, and all agree that there exist a set of economic laws which are valid irrespective of history, culture, religion, or other considerations.⁷² Such similarities are important for they distinguish the methodological approach associated with these three schools of economic thought from the heterodox methodology adopted by Ely, Clark, Tiemstra, McKee, et al.

It should be evident that the stylized version of orthodox economic science presented here corresponds to the ideas and arguments advanced by the four orthodox Christian economists considered in this study. Carver, Richardson, Heyne and Waterman all look to the individual decision making process as the best means by which to change the economic outcomes of society, and all agree that while "subjective preferences" are influenced by social, cultural, and religious considerations, economic science should be confined to price and other independently observable determinants. It is to these considerations and these considerations alone that Christian economists and Christian commentators on the economy should look to for a solution to economic problems.

This is the idea set forth by Heyne when he argues in favor of the market as a means to alleviate poverty, unemployment, pollution and other problems associated with economic endeavor. A similar argument is advanced by Waterman when he advances the notion of a "natural rate of unemployment," implying that individuals choose to work or not to work on the basis of prevailing wage rates and other relevant considerations. The neoclassical approach to Christian economics advanced by Richardson is similarly predicated on an individualistic decision making framework, and while Richardson seeks to modify this venerable paradigm to reflect a Christian world view, the Christianized version would still focus on market decisions and their outcome. Carver also looked to a somewhat modified version of neoclassical economics to present his economic ideas, and the issue of choice in a world of scarcity is central to his discussion on income distribution, poverty, and economic growth.⁷³

These four economists also question efforts to reform or Christianize economic systems and relations, arguing that such efforts fail to consider the way in which financial markets, competition, and self-interest contrive to make the market system what it is despite the intentions of those involved. This appears to be the argument Heyne is making when he suggests that those who desire to Christianize economic relationships are calling for nothing less than a "rejection of the economy." Heyne even calls into question

voluntary efforts designed to reform society, arguing that a collective effort on the part of the residents of Los Angeles to drive less in an effort to reduce pollution and congestion may have the paradoxical effect of attracting newcomers, a development which in the end will only make matters worse.

Waterman advances a similar argument in his critique of Catholic economic thought. Venerable slogans and terms, Waterman declares, do nothing to alter the state of the economy, and the Catholic church is mistaken in believing that a change in perceptions will change an economic system in such a way as to improve the plight of the poor or the working class. Economic systems are premised on considerations which are impervious to change, and any understanding of economics should start with this principle. This does not suggest that the objectives set forth by the Catholic Church are invalid or theological dubious. They are not, and Waterman acknowledges this in his paper, "Theology and the Redistribution of Wealth." It is better, however, to effect such a change through a redistribution of initial endowments and not, as suggested by the Church, through a transformation in economic behavior or systems.

Richardson's advocacy of the neoclassical paradigm also lends support to the view that economic relations and systems are impervious to the type of changes sought by various Christian commentators on the economy. Among the more important characteristics associated with the neoclassical paradigm is the idea that consumers purchase the products they desire at the lowest available price and that competition will assure that only those firms which abide by this principle will survive in the market. The outcomes associated with a competitive market structure are generally viewed as desirable, and the type of revisions envisioned by Richardson do not change this, nor should they. More Christian-like modes of behavior and modeling of such behavior are in order, but this does not necessarily imply a change in the economic system. The neoclassical paradigm is premised on this very idea, and any approach to Christian economics, Richardson argues, should start with this premise.

Carver would concur with this assessment, but would add that competitive struggles also go on at a more inclusive level, involving social and ethnic groupings, religions, nations, and peoples, and that this later type of competition is no less relevant and scientifically predictable than the economic laws which describe a market economy. Moreover, this latter type of competition will have a dynamic effect on competitive market structures, the economy, and the nature of civilization in its entirety. Scarcity is the central consideration here, and economic markets which reflect this underlying consideration should be looked to as the basis for understanding economic outcomes and assessing what is and is not possible. It was this consideration which prompted Carver to favor limits on immigration as the best means to raise the living standards of the working class. An ethos which emphasizes thrift and productivity could also be viewed as a variant of this view. By directing more resources towards investment and less to consumption, the total output of society would increase - a fundamental tenet of neoclassical growth theory. Finally, a religion and social ethos which increases the productive efficiency of both factors of production, labor and capital, will also engender a higher level of output, and through this the national strength and independence Carver looked to as the overarching objective of all economic and social policy.

It may appear that the all encompassing approach adopted by Carver would seem to conflict with the pluralistic view of economic science identified by Waterman. It was always Carver's contention, however, that a universal system of natural selection is inextricably linked to the economy, and that this system can be studied in the same way as the natural sciences - starting with a universally recognized set of observations and drawing inferences from such observations. Whether or not God truly framed the laws of nature or the laws of economics is therefore immaterial. Such laws are observable and verifiable to the independent investigator, and it is this difference which distinguished Carver's approach from say that of the social or economic proselyte Ely who argues on the basis of unverifiable phenomena. Carver looked upon himself as a scientist in the truest sense of

the word. It was scientific evidence - evidence which he viewed as observable by any and all individuals - which prompted him to identify Christianity as the 'religion worth having.' Christianity more than any other religion or philosophy conformed to the facts, and any independent appraisal of the evidence, he argued, would bear this out.

4.3 Heterodox Methodology

The heterodox approach to Christian economics posited by Ely, Clark, Commons, Tiemstra et al., presents a much different view of the economy and economic science. Material well-being is not the only nor even the primary objective of this world. It is God's desire to bestow his blessings on all humankind, and this includes not only material blessings, but a well-balanced and fulfilling life in an environmentally safe and just society. Wealth is, of course, a necessary element in all matters relating to economic life, but it is not the objective of life nor should it be the only objective of those who study such issues. By ignoring these considerations, orthodox approaches to Christian economics reduce God's plan to a one-dimensional focus unworthy of the grandeur and glory associated with His creation. "Many in the discipline," writes Tiemstra, "have taken the qualitative richness of the creation and the meaning of human economic activity and, like a figure in a cartoon, have flattened it against the wall of one or another foundational epistemology."⁷⁴

Tiemstra is not alone. All of the heterodox economists considered here have argued that economic science should be systematically reformed and not merely through the overlay of policies on a purportedly immutable system of production, consumption, and exchange. Economic and social reform must be systemic, addressing the motives underlying consumption, leisure, work, profit, price, etc., even if such motives are seemingly irrational or counter to self-interest. The prevailing view of economic science would, of course, deny that an economic system can be so structured, and this is reason enough to reject orthodox science in favor of another view of economics, one which

explicitly accounts for Christian ethics and beliefs, or at the very least accounts for a commonly shared view of the role of ethics in day-to-day economic decisions.

The self-seeking, utility maximizing "economic man" posited by classical and neo-classical economics is simply too narrow to accommodate this objective. 'Economic man' is, at best, an overly simplified view of human behavior and, at worst, an apologetic rationale for covetous, sinful behavior. Ely, Commons, Clark, Tiemstra, and McKee have all critiqued in various ways the flawed view of human behavior posited by orthodox economic science, arguing that such a depiction is neither accurate nor desirable. 'Economic man,' they maintain, is largely a product of a post-enlightenment world view which neither acknowledges nor accounts for the social and economic motives and behavior advanced by the Christian religion.

It is further argued that human behavior including economic behavior is closely tied to the prevailing social ethos, an ethos which is determined in large measure by the religious norms and beliefs of society. The self-destructive behavior commonly associated with the working-class poor - alcoholism, sloth, insufficient savings or education, etc. - is not simply a question of choice, but rather reflects a long-term social evolutionary process which through familial and social inculcation induces people to engage in behavior which is contrary to the objectives of society, Christian morality, and even self-interest.⁷⁵

It was Commons' contention that purely economic solutions which rely solely on monetary rewards and punishments are insufficient to lift the laboring classes out of the social and economic malaise in which they find themselves. What is needed is a concerted effort by all members of society to impart the Christian values and aspirations normally associated with the successful life. To leave the poor to their own devices would certainly not do. The consequences of bad choices, he argued, cannot be overcome apart from some understanding or knowledge of what such choices entail, and it was precisely this type of knowledge which was lacking in the tenement houses and slums of American cities.⁷⁶

A philosophy of self-interest, for this reason, may indeed benefit those who make the right choices, but would not benefit those who lack the knowledge or the opportunity to make such choices. To deny this is to suggest that people are poor because they desire to be poor, or, more emphatically, people suffer because they desire to suffer. This was clearly preposterous and to suggest this was little more than a rationale for doing nothing - a criticism Commons leveled at all *laissez-faire* arguments including the ontological foundation of economic science which he viewed as being neither neutral nor scientific, but rather an apologetic basis for the unbridled pursuit of wealth.⁷⁷

Commons' critique raises another criticism which has been directed at orthodox 'economic science' by the heterodox Christian economists considered in this study: scope and methodology. The national riches of a country all of these economists would agree includes not only wealth as measured by some aggregate index, but also a belief system and world view which honors the Creator and places nonpecuniary considerations on a equal or greater footing with more traditional measures of material well-being. A Christian social ethos and all that it entails is not only essential for long-term prosperity in the traditional sense of the word, but is required as part of humankind's responsibility to God.⁷⁸

The problem of scarcity, it is further argued, only exists in the presence of disobedience, and to suggest, as do orthodox economists, that beneficence will be forthcoming apart from Godly obedience or that human effort is sufficient in and of itself denies the role of God in human affairs. The issue is not simply a question of selecting the appropriate means towards a common end, but honoring God in all walks of life, including economic inquiry and behavior.

The heterodox Christian economists considered in this study thus look to a much different view of economic man, one which, in Clark's words, is actuated by "higher psychological forces" and resembles "the man who God has created."⁷⁹ It was Clark's contention - a contention shared by Ely, Commons, and Bemis and to a lesser extent McKee - that human wants, character, and socioeconomic behavior evolve over time. Humankind

does indeed pass through a stage characterized by both extreme individualism and a narcissistic focus on material abundance, but this represents only one of several stages in human development. A new stage of human development is on the horizon and the time has come to eschew the self-seeking, inward looking man of Ricardo, Senior, and Mill in favor of a new man - a man motivated by self-sacrifice, a sense of duty, and Christian love.⁸⁰

A central element in all of this is the pivotal role of Christianity and divine providence in the development of morally enlightened human nature. Christianity, according to this interpretation, has traditionally served the function of promoting moral development through the progressive unfolding of God's divine plan here on earth. Behavior previously characterized as barbaric - human sacrifice, cannibalism, and slavery, for example - has given way to a more enlightened, less selfish attitude on the part of the human species. The demise of the feudal order, *laissez-faire* capitalism, and the increasing acceptance of representative government can all be traced to an evolving pattern of Christian world redemption, and humankind can look forward to further progress in the future as ever more progressive and theologically refined teachings and doctrine are imparted by grace and gradually accepted at the individual and societal level.

This interpretation of Christian world redemption generally comports with the writings of all of the heterodox economists considered in this study. There is some disagreement, however, as to whether moral enlightenment represents an inexorable or problematic process, or alternatively whether or not human attitudes and beliefs reflect divine providence or simply the consequence of fallen man responding to a less combative or belligerent socioeconomic environment. Richard Ely could not bring himself to accept the Calvinist doctrine of his forefathers and rejected any concept of development which implied inevitability. John Bates Clark, on the other hand, considered the movement of history to be providentially mandated and, hence, inexorable. Both Tiemstra and McKee acknowledge that the Christian view of slavery has evolved over the centuries and this implies an evolving pattern of spiritual understanding and enlightenment.⁸¹ As a Calvinist,

however, it is not clear whether or not Tiemstra believes that such understanding is imparted over time to all humankind, as suggested by Clark, or simply reflects the redeeming effect of the Christian religion on human beliefs and economic organization. Despite such differences, there exists a general consensus that moral and historical development is predicated on the inculcation and acceptance of Christian principles and that such development is fundamentally contingent on the active involvement of Christian believers and the Christian church.

Since human behavior is reflective of the general level of social and moral development, a "sense of right" in the words of John Bates Clark, behavioral modification is not only possible, but desirable. Such change, however, would have to be accompanied by a corresponding changes in the complex relationships which are understood to influence such behavior - moral persuasion or individual salvation will not in and of itself effect a fundamental change in long-standing attitudes and beliefs. Moreover, human behavior is simply one of many factors which contributes to world redemption. To foster such redemption it is necessary to assess the role of a multitude of social and economic relations and how they interact to either hasten or retard the redemption of this world.

Consider the role of virtuous behavioral attributes which, depending on the writer, might be defined as stewardship, justice, humility, honesty, sobriety, selflessness, love of family and country, and a reverence of God and his creation. All of these attributes can be broadly classified as moral enlightenment, and, depending on the writer, this more general attribute will interact with economic organization, social ethos, and the edifying influences of the Christian religion in a reinforcing and positive way.

A Godly-ordained view of work, for example, would permit the adoption of more egalitarian forms of economic organization. The resulting economic transformation would engender a sense of accomplishment on the part of the worker, reinforcing a spirit of fraternal cooperation, and evoke a sense of solidarity and cooperation. The symbiotic relationship described here would hasten the coming of a more progressive, spiritually

enlightened society. Finally, a more enlightened view of work would eventually be recognized as a defining characteristic of such a society.⁸²

The behavioral attribute, honesty, provides yet another example. Andrews and Commons both considered this attribute to be a necessary condition for the establishment of a just and responsive government. Andrews went on to argue that honesty would also facilitate the efficient operation of government and economic institutions. Apart from such considerations, honesty is worthy of emulation in its own right.⁸³ Indeed, honesty was considered to be as much a product of world redemption as a determinant. People in a redeemed society would exhibit many such virtues - virtues absent, frowned upon, or otherwise suppressed in a less morally developed society.

Economic development apart from a corresponding acceptance or emulation of virtuous characteristics should therefore not be looked upon as progress in the purest sense of the word, but as an unbalanced form of development unbecoming of God's divine creation. This is the criticism Andrews, Clark, Commons, Ely, et al. directed at unbridled capitalism and Tiemstra and McKee direct at the current socioeconomic milieu. In the case of the earlier economists, it was observed that a singular focus on wealth and prosperity had engendered a mode of behavior unbecoming the nobler qualities exemplified in the Bible. Under the then prevailing ethos, the Christian businessman could not behave in a manner conducive to his faith; the laborer was required to live and work in conditions contrary to God's will; men, women, and children were invariably subjected to the worst types of exploitation; long-standing social relations were fragmented; and a socially and spiritually adrift populace was divorced from any sense of responsibility towards one's fellow man - all for the sake of greater material well-being. Tiemstra and McKee adopt a modern rendition of this view, pointing to the no less disturbing problem of the systemic Godlessness besetting modern society. Social and spiritual development can thus be viewed as an integral part of world redemption, an objective judged to be of no less

significance in social and economic development than GDP per capita and other such measures identified by orthodox economists.⁸⁴

All of the heterodox economists envision a time when society will reflect the characteristics of a redeemed world. John Bates Clark looked forward to a period "surpassing in its attractiveness, the socialistic dream," a time when "all hearts will be bound by Christian love";⁸⁵ Tiemstra to a time when the institutions of this world reflect the Godly-ordained purpose to which they were intended; Ely to a world characterized by social service and Christian love; and McKee to a time when people and institutions would rely on justice as the defining criterion in their economic decisions.

Other characteristics associated with the coming Kingdom include economic and social equality; a greater emphasis placed on family, community, and social responsibility; a morally enlightened view of human wants and aspirations; economic and social reorganization; the selfless public servant; the integrity and responsiveness of democratic government; the emergence of the Christian church as an influential force in public affairs; the widespread adoption of Christian values; and the Christianization of state and science.⁸⁶ These and other factors provide a basis by which to assess the redemptive characteristics of society, and it is this assessment along with the *means* by which society is to be redeemed which most closely define the methodology of heterodox Christian economists.

Ely, Commons, and Bemis thought that world redemption could be best accomplished through a unified approach consisting of voluntary service, a corporate view of Christianity, the Christianization of state and science, and a transformation in social ethos. In the coming Kingdom individuals would no longer maximize wealth, but social service and self-sacrifice. Firms and wage earners would be organized on the basis of social harmony rather than competition. The legal structure governing economic organization would reflect such changes by requiring firms to place the interest of employees and customers on a equal footing with that of shareholders and managers. Cooperatives and profit-sharing ventures would be as much the rule as the exception, and income distribution would

reflect the egalitarian ideals set forth in Scripture. Priority would be given to strengthening the bonds of family, community, and church, and government would play an influential role in enforcing a just system of social and economic relations.⁸⁷

Economic theory as applied to such a society will obviously differ from the classical political economy of Ricardo, Senior and Mill. Economic man is no longer the wealth maximizing, self-seeking economic agent posited by these latter economists, but the perfectible ideal referred to in various religious, socialist, and utopian writings. Not only would the supposedly immutable nature of economic man be different in the coming Kingdom, but the deductive relationships arising from such nature as well. Indeed, it should be evident that the economic system as interpreted here is ultimately founded on a much different system of motives and modes of social and economic organization than posited by orthodox economic theory.⁸⁸

This subtle yet crucial proposition was well-known in the 19th century and was often cited in the writings of Marx, Rodbertus, Veblen, Ruskin, Knies, Roscher, Ingram, Leslie and others. As students of German historicism, Ely, Bemis, and Commons were aware of the crucial link between prevailing social relationships and economic theory, and were unwilling to accept the *prima facie* assumptions set forth in classical political economy. The extreme individualism typified by English classical political economy, it was argued, was merely a product of historical development. Similar to other stages of historical development, individualism would surely give way to a more advanced system of social relations. It represented, in short, a transient rather than a permanent basis upon which to establish a theory of economics. What was needed was a new system of social and economic relations and a new theory of economics to accompany it. One did not necessarily precede the other, economic policy was not distinct from economic theory, and the role of the preacher and theorist were one and the same.⁸⁹

Clark and Andrews adopt a somewhat different view of world redemption. Economic structures and arrangements, they argued, may or may not correspond to Christian

principles, and when they do not the reason more often than not simply reflects the sinful nature of those who were instrumental in the establishment of such arrangements. Andrews' addresses the issue from a contemporaneous perspective, criticizing various legal rules and government policies which unfairly favor one economic group over another. Realizing that such criticism is without merit apart from some absolute standard by which to differentiate 'just' and 'unjust' laws and policies, Andrews turned to Christian social teaching as a basis for a sound and fair system of economic laws and governance.⁹⁰

Clark looks to an evolving moral 'sense of right' to redeem the institutional and legal arrangements associated with a less enlightened past. Implicit in this argument is a decidedly less than favorable view of human history and human nature. The institutional structures of the past, Clark argued, are no less barbarous than the social and moral norms of the society from which they originate. History is replete with examples of socially sanctioned cruelty and exploitation, and the institutions and economic structures associated with such periods of history will invariably reflect such behavior. With the gradual acceptance and diffusion of Christian moral values, however, more charitable and compassionate mores and norms come to replace the more narrowly focused, self-serving belief systems of the past, and with this change comes a concomitant change in the institutional structures of society. The institutional structures of the Western world, Clark argued, are being redeemed through an evolving moral 'sense of right' as social beliefs come to reflect the doctrine of love and selflessness espoused by Christianity.⁹¹

Both Clark and Andrews agreed that economic systems and institutional structures are neither uniformly good or bad, but reflect a complex web of competing economic classes, archaic and modern rules and laws, evolving institutional arrangements, and shifting political fortunes. In this web, one could expect to find some combination of just and unjust institutional structures, self-serving and beneficial rules, and anachronistic and highly functional social arrangements. It is the role of the Christian to evaluate such structures on the basis of well-accepted Christian doctrine, retaining what is acceptable

and rejecting that which is not. In stark contrast to the orthodox view, a competitive market economy does not necessarily reflect a system of economic relations and structures which uniformly and unequivocally promote the common good. Such a world represents more of an objective than a reality, and it is an objective that can only be achieved through the efforts of those individuals who perceive the injustice embedded in prevailing rules and structures.

Self-interest is not sufficient to accomplish this end, since the interest of those who benefit from injustice will always be counter to the interest of those who do not. Another standard of morality is required, one which stands above the interest and objectives of any particular social or economic class, and it was Christianity that Andrews and Clark advanced as the basis for this standard. Bemis' paper on the economic rules established in Puritan New England, McKee's view of the necessary role of economic justice, and Ely's criticism of 'natural laws' lends support to this view. The economic relationships and institutional structures associated with a modern market economy, these economists agreed, are beneficial in some respects and harmful in others, and any arguments which suggest otherwise, such as those advanced by proponents of *laissez-faire*, ignore the covetous, materialistic motives associated with a fallen world and the consequences of sinful behavior in human affairs.⁹²

Tiemstra concurs with this assessment looking to the metaprinciple of stewardship as the motive factor leading to institutional redemption. The problem and consequences of sin, Tiemstra argues, are systemic to all areas of economic life, being reflected in the less than perfect socioeconomic arrangements which characterize Western civilization and in the motives which engender such arrangements. The objective of Christians and Christian economists is to reform such arrangements, giving due consideration not only to Godly behavior, but to the socioeconomic system in which such behavior is manifested. To ignore this latter consideration is to deny the ubiquitous manifestation of sin and the role that fallen institutions perform in giving license to sinful behavior.

In accordance with this view, it is not enough to simply inform people that they should devote more time to leisure, place the unity of the family above material well-being, work out a sense of purpose and accomplishment, or consider the well-being of others when making economic decisions. Such decisions are dictated in large measure by the prevailing system of economic relations and institutional structures, and a change in behavior presupposes a change in such relations and structures. Moreover, it would be unreasonable to expect a system which rewards long hours, competitiveness, productivity, above average rates of return, etc., to provide a solution to the problems it creates. In fact, many of the ideas advanced by orthodox economists to improve the workings of a market economy - free trade, productivity, efficiency, consumer sovereignty, the unfettered allocation of capital and labor, etc. - only make matters worse.⁹³

As an alternative, Tiemstra identifies stewardship as the metaprinciple for the establishment and evaluation of all areas of economic life. Decisions pertaining to family, work, business organization, organized labor, investment, government, international aid, etc. should transcend individual self-interest, reflecting Christ's redemptive will for this world. Individuals in the redeemed society would be paid a wage sufficient to care for their families; investors paid a fair but not exorbitant rate of return on capital; prices established on the basis of long run cost considerations rather than short run profit; products designed, produced, and sold with considerable thought given to the legitimate needs and desires of the consumer; organizational wage structures established on the basis of meeting the needs of all employees not simply those at the upper echelon of the organizational scale; and government policies established on the basis of justice rather than economic or political power.⁹⁴ All of these changes imply a significant degree of personal stewardship in all areas of economic life, and it is the responsibility of the Christian economist to aid in this effort.

McKee adopts yet another approach, looking to the long-standing Scholastic idea of economic justice as a basis for economic decisions and governmental policy. Orthodox

renditions of economic science, he argues, are clearly inadequate in this regard, effectively excluding justice from the decision making process. The problem is that economic science as currently formulated approaches the issue in much the same way that an engineer approaches the measurement of stress factor for a bridge - as a precise, unchangeable, immutable set of physical relationships. Human beings, however, are not so predictable, and there exist numerous examples where individuals, business, and government do, in fact, make decisions which take into account the common good and the welfare of others. Moreover, from a Christian perspective, one must believe that they do so even if such decisions are not strictly beneficial from a utility maximizing perspective similar to that suggested by Becker and others. Individuals are motivated by a sense of justice, and their behavior will reflect such motives, even if such behavior does not reflect self-interest. To ignore the role of justice is not only empirically dubious, but antithetical to long-standing Christian social thought.⁹⁵

At a more fundamental level, economic science and the economy it endeavors to explain is not divorced from broader considerations. Human attitudes and beliefs are closely tied to the all important question of economic provision, and examples abound as to how economic decisions and concerns can and often do have moral, ethical, and religious ramifications. Social apathy, work ethic, the erosion of a personal and social sense of responsibility, hopelessness, crime, single parent families, materialism, alcoholism, drug abuse, pornography, war, and abortion are but a few of the issues that immediately come to mind. Through its influence on social beliefs and perceptions, economic systems and to a lesser extent economic science arguably influence a number of such issues, and this consideration is or at the very least should be of grave concern to the Christian economist.⁹⁶

Economic science for this reason should explicitly account for the role of justice in economic affairs. Justice in economic relations, McKee argues, can occur at the personal level as in the case of exchange justice where the "buyer and seller render exactly what is due in contracts, explicit, or implicit." At the firm level where prices, pay scales, and

profits reflect the long-standing Christian notion of just price, just wage, and just profit; at the government level where policies reflect distributive justice or "what is due to each (as burden or benefit) and what is granted or imparted by the central authority"; and at the societal level where economic and organizational structures are evaluated "on the ground that their right formation and functioning are essential to secure economic justice in practice." "Justice," writes McKee "is a prime regulator of our relations with others,"⁹⁷ and apart from this principle, the social and economic relationships which constitute an integral part of God's creation will not - indeed, cannot - reflect God's will. It is the responsibility of the Christian church, the Christian laymen, and the Christian economist to make this truth known to a fallen world, establishing the guidelines which minimize the consequence of sin in our social and economic endeavors.

Economic theory, as suggested in the foregoing discussion, obviously differs from the "positive" deductive approach associated with orthodox economic thought. Unlike classical and neoclassical economics, economic relationships are assumed to be both deductive and inductive, nonquantifiable, situationally specific, problematic, evolving and imperfect. This latter assumption, probably more than others contributes to the belief that the economic ideas advanced by the heterodox Christian economist are normative - and they are.

Despite this, it would be wrong to conclude that the collection of economic ideas advanced by the seven heterodox Christian economists considered in this study are without theoretical foundation. Similar to other economic theories, the numerous economic relationships embodied in heterodox Christian economic thought are readily definable, posited as being hypothetically true, logically compelling, relatively stable over a given stage of development and inferentially related to a postulated set of historical transitions. Although the collective body of economic ideas is neither deductive nor "positive" in the traditional sense of the word, both intermediate and long-term predictions are clearly evident. From this vantage, the methodology employed by the heterodox Christian economist

considered here does not depart in any significant way from historical stage theories or the numerous "theoretical" models relating to developing countries.

5. Putative Scientific Status of Economics

If economics is truly a science, then the following assertions can be made with reasonable assurance: the ontological foundation upon which economic science reposes accurately reflect the nature of man; economics accurately describes a system of positive economic laws; the positive/normative distinction is valid and serviceable; the scope of the science and its subject matter wealth is appropriate; and the methodological techniques employed are consistent with observed economic phenomena and human behavior.

To deny, on the other hand, that economic is a science immediately undermines all of the foregoing assertions. Economics, in this case, cannot be separated from ethical considerations and values; the ontological foundation and introspective principles upon which the science is founded are neither constant nor immutable; and the methodological construct which supports such a view imparts a conservative methodological bias, imparting, at least from a Christian perspective, a strong measure of credibility and support to the secular humanist philosophy which dominates this world.⁹⁸

With some qualification the orthodox Christian economists considered in this study would adopt the former view. Economic science, according to the orthodox view is premised on a few highly generalized inductive principles - human rationality, self-interest, diminishing returns, etc. - which are derived from introspection and a consensus of opinion. On the basis of these principles, economists can identify a host of deductive relationships which can be validated through empirical testing, and through this economists have been able to identify a coherent and tightly integrated set of 'positive' economic relationships. Similar to the 'natural laws' which describe physical reality, economic science consist of a body of 'economic laws' which describes economic reality, or 'what is' as opposed to 'what ought to be.' It is on this basis that orthodox economists can argue with

assurance that 'economic science' exists apart from religious or social beliefs, historical or societal distinctions, or the prevailing distribution of economic wealth or endowments.

This contention is, of course, central to the pluralistic/monistic distinction identified by Waterman, and he is correct in identifying the putative scientific status of economics as the issue most closely associated with these two distinctive views of Christian economics. To affirm the scientific status of positive economics is to affirm the very arguments set forth by the orthodox Christian economists considered in this study, and to deny this truth is to affirm the arguments advanced by writers such as Ely, Commons, Tiemstra, et al.

Consider the foregoing critique of 'economic man.' Whether or not this highly stylized view of human behavior is an accurate depiction of reality is, at least in the estimation of those economists who accede to the scientific status of economic, largely irrelevant. What matters is the validity of the system of economic relations which describe how one economic event relates to another. "It makes a lot of sense," Waterman argues, "to start by assuming that most of us are out for number one,"⁹⁹ and from this premise economists starting with Adam Smith have argued that the self-regarding action of men will naturally give rise to a market economy and all the beneficial consequences that follow in its wake.

The process by which this occurs can be viewed as 'natural,' in the sense that human economizing behavior in the presence of scarcity will engender essentially the same type of relationships in different countries at different times apart from any conscious or concerted effort to do so. Since economic laws arise 'naturally,' they perform much the same function as the laws of the natural sciences, providing a set of perfectly or near perfectly predictable correspondence between two or more measurable events. This being the case, 'economic laws' are no more subject to moral scrutiny than say Newton's laws of motion, and the same can be said concerning the somewhat fictionalized account of human behavior upon which such laws are premised.

The putative scientific status of economics also provides a compelling argument as to why the type of nonmarket solutions proffered by the heterodox economists considered in this study do more harm than good. If economics is truly a science as suggested by Waterman,¹⁰⁰ then it can be demonstrated with the utmost assurance that a market economy will engender under certain qualifying assumptions the best possible outcome for a given set of endowments. Changes in the economy, so the argument goes, are best achieved through a change in such endowments, and not, as suggested by the heterodox Christian economist, through a transformation of the economic relations which would otherwise exist in a perfectly competitive environment. Changes of the latter type are held to be Pareto inefficient, in the sense that the benefits accruing to those who stand to gain from such a change are not enough to offset the losses incurred by those who lose. From this, it can be shown through mathematical derivation that a market system characterized by perfect competition is always preferable to any other arrangement irrespective of the initial distribution of endowments. Whether or not such a system can be duplicated in reality is, in this sense, irrelevant, representing an objective that policy makers should endeavor to realize.

Acceding to this view, it becomes immediately evident that many of the policies advanced by heterodox economists are ineffective at best and counterproductive at worst. To personalize the economy would result in a tremendous diminution of total output, an outcome practically all citizens in developed market economies would reject. It is in this context that Heyne maintains that those Christians who oppose the type of depersonalized economic relations characterized by capitalism are not merely arguing for a limited change in prevailing economic relations, but for a rejection of 'the economy' and all of the benefits derived therefrom. Similar criticism can be directed at nonmarket solutions designed to achieve a redistribution of wealth; full employment; a 'Christian' social ethos; and a 'just' system of economic rules, wages, or prices, etc. In all such cases, the solution only makes

matters worse, resulting in a diminution of economic welfare as measured by the subjective preferences of all members of society.

The existence of a scientific core of positive economic relations also diminishes the status of nonfalsifiable knowledge, undermining many of the arguments set forth by Ely, Commons, Clark et al. Consider Commons' argument that economic behavior is motivated by a myriad of noneconomic considerations including familial and social inculcation, community norms and mores, lack of education, and inability to make reasoned choices. All of these considerations stand in stark contrast to the reasoned, utility maximizing assumption postulated by orthodox economic theory. Now, if economics is a science or, alternatively, if the economic laws and relationships which comprise the body of economic theory exist or, at the very least, can be shown to exist under certain conditions, then it matters little as to *why* individuals make the choices they do. What matters is the consequences such choices will have on a variety of economic outcomes, and since such outcomes can be predicted with a great deal of certainty, the emphasis naturally shifts away from that which is not known - why individuals make the choices they do - to that which is known: the relationship between economic choices and outcomes.

The same can be said about economic inquiry designed to measure and account for a Christian world view as suggested by Ely, Bemis, Tiemstra, and McKee, or efforts to selectively identify some social and economic arrangements as 'moral' and others as 'immoral' as suggested by Clark and Andrews. In both cases, the scientific status of what is known with certainty systematically excludes that which is much less certain, providing a type of self-enforced insulation from all other types of economic knowledge.

This somewhat stylized account would seem to suggest that the identification of economic knowledge is contingent, at least in part, on measurability and certainty. This would not present much of a problem, if it were known with certainty that economic science provides an inclusive account of all knowledge relevant to the economic decision making process. This, in fact, is not the case, and it is this criticism more than any other

which calls into question the scientific status of economics. To identify a fragmented and somewhat fictionalized account of 'what is' is not the same as identifying 'what is,' and it is not true as suggested by Friedman that such differences are unimportant as long as the fictionalized account yields qualitatively similar predictions. At least part of the virtue of a positive economic science is the explanatory power it affords the economic practitioner. It is not enough to simply predict the relationship existing between economic variables, it also helps to know why such relationships exist, and this requires a more realistic rendition of the motives and processes underlying economic relations.

Realism, or the lack thereof, has been a central area of dispute between Christian economists who hold to the scientific status of economics and those who do not. Much of this criticism, Richardson informs us, is not without merit. The traditional view of 'economic man,' he declares, is an inappropriate basis from which to base a system of positive economic relations. A preoccupation with 'scientism' and mathematics and a professional bias towards highly theoretical explanations at the expense of less theoretical but perhaps a more accurate depiction of reality only adds to the heterodox critique that economic science is less scientific than is maintained. Finally, the profession has become so fixated on making marginal contributions to an already well-established body of knowledge that American graduate schools in economics have become little more than institutions for the development of technical proficiency, spinning out Ph.D. economists who are well acquainted with the 'tools of the trade' but little else.¹⁰¹

All of this, Richardson declares, has diminished the enthusiasm of would be Christian economists who desire to use the science in the service of Christ. Such pessimism, however, is unwarranted. Much good, he argues, has been derived from neoclassical economic theory and a lack of realism should not be viewed as a reason to dispense with all the good that has and can be derived through the current rendition of the science. Economic science should be viewed as an evolving system. New more realistic concepts and

assumptions are being continuously introduced, placing the science much closer to economic reality.¹⁰²

'Economic man' need not be the rational, perfectly informed utility maximizer traditionally posited in the literature. The science is flexible enough to model other views of 'economic man,' including the less than rational, poorly informed, culturally bound, and sinful caricature cited by critics of the science. Progress has already been made in a number of areas, including the modeling of aggregated decision making units such as the family; the modeling of altruistic behavior; limited satiability; limited and asymmetric information; rolling equilibria; and even some of the underlying behavioral motives suggested by heterodox Christian economists. There is no reason, Richardson concludes, why economic science cannot be fashioned in such away as to meet all or at least most of the criticisms raised by well-meaning but ill-informed Christian economists.¹⁰³

Despite Richardson's assurances, Tiemstra, McKee, and other contemporary Christian economists remain unconvinced. Neoclassical economic science they counter is functionally limited to identifying the relationship between economic choices and outcomes. Efforts to introduce alternative ontological views of economic man as suggested by Richardson and others, is limited by the mechanistic structure upon which the science is premised. The constrained optimizations techniques characterizing most contributions to the literature do not lend themselves to the less than precise and somewhat random world of culturally bound economic motives and behavior. More fundamentally, it is the nature of the science to reward analysis which is falsifiable or ontologically deductible, and to shun areas of inquiry which may be true only locally, during certain historical periods, or in some societies and not in others.

Economic science, Tiemstra argues, has its own agenda and part of that agenda is the construction of a 'generalized' explanation of economic behavior and relationships, and this precludes by its very nature the less generalized types of knowledge Christian economists are interested in. Other criticisms directed at neoclassical economics include the

limitation it imposes on nonpecuniary considerations, methodological individualism, a utilitarian foundation which denies the absolute existence of good and evil, and a modernist philosophical foundation which is not without moral or ethical ramifications.¹⁰⁴ For this reason, Tiemstra and a number of other Christian economists have eschewed the neoclassical approach to economics in favor of an institutional approach which they view as more flexible and better suited to the concerns and issues raised above.

Perhaps more importantly, it has been argued that a pluralistic view of economics such as that propounded by neoclassical economics necessarily excludes theological considerations from economic knowledge. It is not that Christian objectives are ignored by orthodox economic science, being represented through the positive/normative distinction posited by classical and neoclassical economic theory, but rather that God plays no role in the development of social and economic relations. Orthodox economic science, so the argument goes, is premised on a deistic view of the world, a view which is fundamentally contrary to that propounded by traditional Christian doctrine. As an alternative of this view, a small group of neoCalvinist economists, such as Tiemstra, have argued that all knowledge, or at the very least knowledge of any service to humanity, is imparted by God. In the case of economics, this implies that both the 'positive' economic rules and structures which serve as a medium between various economic entities and the 'normative' motives and objectives which engender economic behavior are inextricably tied to theological considerations.¹⁰⁵

Commons takes the issue one step further arguing that the gradual and pervasive encroachment of a Godless social ethos may have grave spiritual consequences, causing many to ignore or turn away from the Christian faith. Insofar as prevailing economic relations and the science which allegedly mirrors such relations gives rise or in any sense contributes to such an outcome it stands condemned. This is true irrespective of any and all other considerations. Whether or not there is an efficient or more productive way to carry

out day-to-day economic affairs is no reason to ignore the weightier issue which from the Christian perspective is eternal life.

The issue here is to what extent, if any, economic systems and economic relations contribute to the marginalization of the Christian religion or more pointedly the marginalization of a personal understanding and faith in Jesus Christ. This is a theological question which cannot be answered through a scientific assessment of the issue. If one believes that the prevailing economic relations and mode of behavior undermine world evangelism, then to acquiesce to the *status quo* must from the Christian standpoint be viewed as antithetical to the will of God. The Christian economist, in this case, has a responsibility to reject the current world order, the science which lends support to its existence, and make a concerted effort to change both.¹⁰⁶

Finally, the alleged scientific status of economics cannot be separated from the Christian economist's religious beliefs. An allegiance to Christ and Christianity means different things to different people, and if the Christian economist views such allegiance as obsequiousness to Christian social doctrine, he has an obligation to himself and to Christ to advance such doctrine irrespective of worldly considerations such as the nature of the economy or economic science. Many Christian economists are under no compulsion to choose between economic science and an allegiance to Christ, but others are, and the doctrinal beliefs of these latter economists will obviously be reflected in their Christian economic thought.¹⁰⁷

This would seem to be case with regard to Ely, Tiemstra, and McKee, all of whom bring a particular doctrinal perspective to their thought. McKee explicitly premises his thought on the theory of the state advanced by Augustine, the natural law and just law traditions as developed by Scholastic and Catholic writers, and the 19th century concept of an organic society and dignity of man advanced in various Papal encyclicals on the economy. He perceives such concepts as being part of his Christian belief system, and to

abide by such beliefs implies the conscious and purposeful integration of such beliefs into his economic thought. ¹⁰⁸

The same is true for Tiemstra who as a member of the Christian Reformed Church looks upon the social thought of Calvin, Kuyper, Dooyeweerd and others as integral elements of an overall religious belief system. The concept of institutional redemption; the essential religious nature of family, church, and state; the principle of stewardship; and the divinely vested nature of work takes on a religious as well as worldly meaning. It is in this context that Tiemstra writes that "the secular world is wrong."¹⁰⁹

Ely also brought a peculiar religious perspective to his thought, one which viewed the nature and purpose of Christianity as comprised of both a personal devotion to Christ and a love for one's fellow man. This was the essence of his most famous book *Social Aspects of Christianity* which sets forth the doctrine of social service, a mode of behavior which Ely himself took quite seriously. "Woe is me if I do not preach this [social] gospel." In making this assertion, he was acknowledging Christianity as the foremost consideration motivating his socioeconomic thought. The issue in his judgment was not merely a question of personal devotion or voluntary religious service, but one of duty to God and humanity. ¹¹⁰

It is worth noting that all three economists approach the subject of Christian economics through heterodox methodology: Tiemstra through a reliance on institutional redemption, McKee through the infusion of scholastic and neo-scholastic concepts of economic justice and human rights; and Ely through an appeal to conscience, social and political activism, and the mobilization of government for the cause of Christ. Orthodox economics, all of these economists agreed, does not allow for the type of social and economic imperatives which correspond to a proper view of Christ and His relationship with this world, and this, they argue, is reason enough to reject such an approach in favor of one which allows for the type of issues most closely associated with a personal allegiance to Christ.

The orthodox Christian economists considered in this study would, of course, dispute such a notion. Carver looks to nature as a source of theological knowledge, and it would only seem reasonable that the natural order would be in accord with the principles and laws that the creator of this system imparted. Natural selection, Carver declares, is the system that God created, and it would be a peculiar God who would be opposed to a system of His own creation. To acknowledge this truth is true Christian, and an allegiance to Christ, at least in Carver's estimation, is premised on a mode of behavior which evidences this belief.¹¹¹

A judicious interpretation of Waterman's thought would also seem to dispute such a notion. While acknowledging that the existence of an all-good, omnipotent God cannot be reconciled with the problem of scarcity, this does not invalidate the idea of scarcity or its role with regard to economic science. All economic entities face the problem of satisfying economic wants in the presence of limited resources, and it is this consideration which provides the theoretical foundation of economic science. To hold God responsible for this state of affairs or to deny that this dilemma is a consequence of the fall makes little sense. Scarcity is a fact, and orthodox Christian doctrine does not dispute this assertion. It merely fails to provide an explanation as to why humankind is faced with the problem of economic constraints.¹¹²

Despite this conundrum, it is, nevertheless, evident that the market economy ameliorates the problem of scarcity, and this through the self-serving motives of disinterested economic participants. It only makes sense Waterman argues to start with the assumption that people are out for number one. In an effort to satisfy economic wants in the presence of limited means, economic entities make decisions which maximize output, minimize cost, allocate resources, and invest for the purpose of providing for the future. In the presence of modern institutional arrangements such behavior will engender a highly structured and predictable system of economic relationships, and these relationships can be described in a uniform and reasonably faithful way. The existence and origins of such relationships is, if

anything, reflective of God's providential goodness in this world, and to accede to this belief in no sense impugns the Christian's faith or his allegiance to Christ.¹¹³

Heyne would probably concur with the essential elements of Waterman's view, but would add that an allegiance to Christ bears little or no relationship to the social, economic, and political structures of this world. Christianity, he declares, is a personal religion, involving a personal belief in Christ, a responsibility to abide by His commandments, and to share this truth with others. The Christian is under no compulsion or obligation to change the social and economic relations of this world, and any suggestion to the contrary is premised on an erroneous Christian doctrine. The apostle Peter tells us to 'honor all men, but *love* the brotherhood.'¹¹⁴ It was only with the emergence of the heterodox view of Christianity in the 4th century that Christianity took on a social nature. Such a idea is clearly not Scriptural, and more recent efforts to impose this view of Christianity on an unwilling population is not only theologically dubious, but impractical and counterproductive.¹¹⁵

Richardson's thought would also appear to call into question the idea that an allegiance to Christ necessitates a denial of the scientific relationships which define the positive core of economic science. The Christian economist, he argues, should honor and acknowledge Christ in his work, but to be effective this should be done through rather than apart from the established institutional and scientific entities of this world. The Christian economist can and should exhibit an allegiance to Christ through sign, substance, and style, advancing the cause of Christ in worldly matters, demonstrating to a nonbelieving world the seriousness of this effort through a high level of professionalism and dedication, and accomplishing this in a way acceptable to those who have neither a knowledge nor an understanding of Christ's love for humanity. If the Christian economist is to accomplish this high-minded purpose, however, it will not be through a rejection of worldly knowledge, but by complementing such knowledge through the understanding and grace bestowed by Christ.¹¹⁶

6. Conclusion

The monistic/pluralistic distinction identified in this chapter can be interpreted in a number of different ways: as alternative and vastly different perspectives of Christian doctrine; as alternative perceptions concerning the role of scarcity and the ontological foundations of economic man; as differing perspectives on the nature and function of political, social, and economic organization; as a conflict over social ethos and belief systems; as opposing views on the putative scientific status of economics; and as a conflict over the function of science and religion in society. All of these considerations have been raised during the course of this dissertation, and it would be inappropriate to circumscribe the discussion in such a way as to focus exclusively on the scientific status of economics.

The distinction between "what is" and "what ought to be" under a particular arrangement says little about whether such an arrangement is valid or preferable to other systems or arrangements. Other issues are also important, and from the stand point of an absolute philosophical foundation, there is no basis for arguing that other issues are any less important than the prevailing socioeconomic system and the accompanying belief system. It is not enough to argue that such arrangements are natural, inevitable, or dictated by the preferences of humanity. What is natural in the context of a particular economic system is premised at least from a metaphysical standpoint on a complete knowledge of what is possible, and knowledge of this type is not available to humankind. The idea that human nature and scarcity inevitability give rise to such relationships is similarly predicated on a limited knowledge of truth, and there appears to be little relationship between human preferences and the scientific status of economics. The most that can be said is that a scientific approach to economic science is highly serviceable from the standpoint of economic inquiry, but this hardly constitutes an undisputed affirmation that "what is" is all that humanity can hope for.

This unabashedly postmodernist perspective of economics is premised on the view that foundational premises are inextricably related to the values, beliefs, opinions, and

intellectual milieu from whence they arise. Polanyi (1957) and Kuhn (1962) were among the first to inform the scientific community that modernist approaches to science are of dubious theoretical validity, premised as they are on the untenable view that incomplete empirical data or observation can serve as a unequivocal foundation for an entire body of scientific knowledge. In more recent years, Pickering, Feyerabend, Gadamer, Taylor, Rorty, Bernstein and others have contributed to the burgeoning postmodernist literature, claiming as does Feyerabend that the "only principle [in science] that does not inhibit progress is anything goes," or as suggested by Pickering, "That the world of HEP [High Energy Physics] was socially produced."¹¹⁷

Within economics writers such as McClosky, Lavoie, Mirowski, and Samuels have informed the profession that the idea of a epistemologically separate and scientifically neutral economic science is theoretically flawed. Commenting on the hermeneutical circle linking economic knowledge and *Weltanschauung*, Samuels writes:

...much of what is accepted as knowledge is based on the private and public acceptance of some paradigm, world view, and/or some mode of discourse and implicit substantive and epistemological premises, altogether constituting a set of faith presuppositions.¹¹⁸

Such a relationship, Samuels goes on to declare, undermines the very idea of a pluralistic or absolutist view of economic science. He writes:

.. much if not of all of what we confidently accept as knowledge, especially in the social sciences, is highly contingent, problematic, and relative.¹¹⁹

The University of Iowa economist, Donald McClosky, takes the relativistic view of economic science one step further. Rather than being viewed as an unequivocal system of putative truths, economic science should be viewed as a method of communicating commonly held beliefs and ideas concerning the nature of economic behavior and activity. The economist, according to this view, takes on the role of storyteller, imparting through the various models, routines, mathematical relationships, empirical validation, etc. a story or

vision of economic reality. The emphasis here is on persuasion which together with data, logic, and metaphor gives rise to a rhetorical approach to economics. Commenting on the rhetorical nature of economics, McClosky writes:

The rational choice model is the master metaphor of mainstream economics, enticing one to think "as if" people really made decisions in this way. The metaphor has disciplined the conversation among neoclassical economists - the discipline is: if you don't use it, I won't listen - and has produced much good. To it we owe insights into subjects ranging from the consumption function in the twentieth century to the enclosure movement in the eighteenth. Yet, to repeat, it is metaphor.¹²⁰

McClosky, in short, finds the neoclassical story to be the most persuasive of the various paradigms available to the economic practitioner, but the economist should not forget that a neoclassical perspective is simply a perspective and should not be viewed as a timeless, immutable system of putative truths.

Christian scholars have also adopted the postmodernist position, arguing that neither the naturalistic foundations adopted by secular science nor the Scriptural foundations employed by numerous Christian scholars provide a unequivocal foundation for sound Christian scholarship. Nicholas Wolterstorff is perhaps the best known proponent of this view. Foundational premises, he argues, are so closely tied to the data, empirical methods, interpretive techniques, consensus view of the scientific discipline, etc. that they afford no operational basis from which to advance scientifically neutral results. He writes:

The conclusion is this: even if there is a set of foundational propositions, no one has yet succeeded in stating what relation the theories that we are warranted in accepting or rejecting bear to the members of that set. Even if there is a set of foundational propositions, we are without a general logic of the sciences, and hence without a general rule for warranted theory acceptance and rejection.¹²¹

This criticism or something akin to it has been the central theme of those Christians who argue against the naturalistic foundations of secular science. Wolterstorff, however,

directs his criticism not only at secular research programs, but Christian research as well. "Scripture," Wolterstorff declares, "does not provide us with a body of indubitably known propositions by reference to which we can govern all our acceptance and nonacceptance of theories."¹²²

The rejection of foundationalism thus leaves us without "a general rule for warranted theory acceptance and rejection." But this does not imply that anything goes or that any theory is as valid as any other. The Christian scientist must still derive theories from an array of facts, data, methodological approaches, consensus, beliefs, etc., and some theories will comport better with the beliefs and presuppositions the Christian scholar brings to his task than others. Wolterstorff writes:

I mean just to affirm that the proposed rule for warranted theory acceptance is untenable. It is not the case that one is warranted in accepting some theory if and only if one is warranted in believing that it is justified by propositions knowable noninferentially and with certitude. From this it does not follow that there is no structured reality independent of our conceivings and believings - though the difficulties of foundationalism have led many to this position. Nor does it follow that we must give up truth as the goal of theoretical inquiry - though the difficulties of foundationalism have made this view particularly attractive to many. Nor does it follow that we can never know the truth - though the difficulties with foundationalism have led to a wave of agnosticism. Nor does it follow that one belief is as warranted for me as another. All that follows is that theorizing is without a foundation of indubitables.¹²³

The postmodernist view of science set forth by writers such as Kuhn, Samuels, McClosky, and Wolterstorff is, of course, similar to the argument set forth by the heterodox Christian economist Tiemstra. Relying on Wolterstorff's recommendations concerning the appropriate method of Christian scholarship, Tiemstra rejects the modernist approach associated with neoclassical economics, opting instead for the nonfoundational structure afforded by an institutional approach to economic science. Commenting on the

significance of a postmodernist view of economic science for Christian economics, Tiemstra writes:

The collapse of philosophical foundationalism and the destruction of the consensus about science left the way open for self-consciously Christian philosophers to propose their own approach to epistemology and the philosophy of science. [Wolterstorff, 1984; Plantinga, 1990; Van Leeuwen, 1982] The essence of this approach is that if our theology, our faith, and our experience as Christians have anything to teach us about everyday matters like science and society, we should use that knowledge in constructing theories about the world around us. Otherwise, we are doing scholarship and research with one eye closed and one hand tied behind our back. We don't know enough about the world to shut out any of the knowledge we have, even if that knowledge is inextricably related to our spiritual experience. To do otherwise is to deny the lordship of Christ over all of life, by denying him access to the world of scholarship. This methodological approach opens the possibility of a distinctively and uniquely Christian scholarship, but at the very least it suggests that theories ought to be accepted as useful only if they comport with our Christian commitment.¹²⁴

Unlike Tiemstra, McKee subscribes to only elements of the postmodernist view of science, arguing that while "a Popper and Feyerabend may scoff at absolutes, successive relativist explanations bend and are uprooted in the first strong wind of dissent." Economic science, he declares, is suffused with notions of good and bad, right and wrong, and good and evil, and it simply will not do to argue that good or right reflect what people prefer, providing that such preferences do not interfere with freedom or other basic liberties. Notions of freedom, right and wrong, and other value-laden terms must be "founded on some overarching criterion to judge all that is human," and "within the confines of what is created and finite no such criterion can be found." For the Christian, the one and only Truth is Jesus, "the eternal word of the Father the one standard by which all truth and knowledge are measured." Human history is clear on this count: "only what is divinely sustained is lasting in this world."¹²⁵

Despite the modernist view advanced here, McKee concurs with the postmodernist critique that what passes as knowledge depends for its acceptance on the "consensus of an investigating 'club.'" He writes:

"All theories of [scientific] knowledge proceed from the question of what is knowledge, and how can it be obtained" (Feyerabend, 1975, p. 212); and clearly it is the case that economic theories reflect assumptions, reasoning and conclusions that depend on conventional acceptance. Scientific, rigorous economics and its verification and falsification are what enough economists agree to treat as such.

Clearly some form of faith underlies willingness to acquiesce in the consensus and its evolution over time (assuming mere advantage is not the motive). If inductionism can never construct a finally satisfactory proof, in economics more so than in physical science, and if logic necessarily begins with assumptions and never concludes in the complexity of reality - "its chain of conclusions hangs loose at both ends, both points from which the proof should start, and the points at which it should arrive are beyond its reach" (Newman 1874, chapter 8, section i) - then belief must enter to underpin mere theorizing.¹²⁶

The Christian, McKee goes on to argue, find such "belief" through the "existence of absolute knowledge and truth (another name of God)." "Without this transcendent link, however, one must rely on even more blind belief than Christians are often accused of having."¹²⁷

Writing a century earlier, heterodox economists such as Ely, Clark, and Commons were obviously unaware of the postmodernist critique which would be later leveled at foundational approaches to science. Despite this, these early economists were highly critical of the narrowly focused, deductive approach to economics advanced by their more conservative counterparts, and at least part of this criticism was directed at the foundational presuppositions commonly associated with classical economics. Richard Ely, it should be recalled, originally went to Germany to study philosophy and discover the 'absolute truth,' and it was this experience which convinced him that such truth is not available this side of the grave. Ten years later he would write "The truth is [that] the man

ventures on very dangerous ground who declares a certain form of society or a given economic institution to be in accordance with the absolute law of nature." In the same article, he writes, that the alleged dichotomy between economic theory and economic policy "is as vain as the search for the philosopher's stone."¹²⁸

This declaration, which Ely attributes to the German Historical School, is remarkably similar to the postmodernist ideas advanced by Samuels and Tiemstra close to a century later, and it is probably more than coincidental, that Clark, who also studied in Germany, and Commons and Bemis, who studied under Ely, also eschewed the foundationally premised, deductive approach associated with classical political economy. Economic science in the minds of all of these writers involved a diverse number of considerations, including social and economic institutional structures, psychology, anthropology, sociology, history, and, of course, religions. It is in this context that Commons informs the "educated man" that the arguments advanced by the workingman are not as suggested by classical political economy "contrary to nature" or "even atheistic," but rather just and "nearly all right..."¹²⁹

Among the orthodox economists considered in this study, Heyne appears to be most keenly aware of the implications postmodernism has for economic science and Christian economics in particular. Rather than arguing on the basis of putative truths, Heyne merely maintains that those who favor a Christianized mode of economic behavior and organization are in effect rejecting "the economy" along with the immensely beneficial effects brought about by three hundred years of economic development. If Christian doctrine provided a clear mandate for a Christianized mode of economic behavior and organization, then the relative benefits and costs associated with alternative systems would, of course, be irrelevant. But there is no mandate, and apart from this, the issue essentially reduces to that of preference, and in a pluralistic society, neither Christians nor anyone else have the right to impose a subjective view of society on an unwilling populace.¹³⁰

The thought of the other three orthodox economists considered in this study - Carver, Richardson, and Waterman - appears to be more closely linked to a modernist view of science, but even here we observe an awareness of the problems associated with a narrowly focused, foundational approach to economic science and Christian economics. Carver's thought allows for considerable cultural, historical, religious, and behavior diversity, arguing that such considerations are motivated by a variety of considerations and not simply the unobserved objectives of economic participants as suggested by Becker and others. Richardson argues that neoclassical economics need not be premised on the highly rational, perfectly informed economic maximizer commonly posited in the literature. It is merely sufficient, Richardson argues, "that an adequate minority respond to economic incentives as predicted." "A little margin," he adds, "leavens the whole loaf."¹³¹

Finally, in the closing chapter of his book, *Economics and Religion: Are They Distinct?* Waterman refrains from passing judgment on the putative status of economic science, suggesting, however, that he and Brennan believe that a positive/normative is valuable in its own right.¹³² From this vantage, it matters little whether or not the positive core of economic science is truly positive as long it is serviceable to economists and to policy makers. This argument is, of course, similar to that of McClosky who maintains that while much good has come from the routines and arguments associated with neoclassical economics, such methods should be viewed as metaphor rather than truth.

From the foregoing discussion, it should be apparent that the monistic/pluralistic distinction identified by Waterman takes on a much different meaning when considered in the context of the postmodernist critique of economic science. The question no longer centers on the method of knowing, but on the motives, knowledge, ideas, beliefs, and objectives the Christian economist brings to his task as both a Christian and as an economist. In the foregoing discussion we have seen how such considerations give rise to two distinctive views of economic reality; a different perspective on the nature and role of scarcity in economic science; dissimilar methodological approaches, scope, and objectives;

differing perspectives on the scientific status of economics; dissimilar views on the nature and role of economic systems; differing views on God's relationship with this world; and perhaps, most importantly, differing perspectives of what it means to be a faithful servant of Jesus Christ, both as an economist and as a Christian. When viewed in this context, the monistic/pluralistic dichotomy is quite inclusive, touching upon every major distinction encountered during the course of this dissertation. These include:

- 1) social philosophy - natural law view of economic reality **or** organic view of social and economic reality;
- 2) ontological nature of economic man - self-regarding and rational **or** malleable to religious, social and historical influence;
- 3) economic systems - natural and immutable **or** historically and purposefully determined;
- 4) scarcity - an operative principle dictating and directing human economic activity and endeavor **or** a situationally specific constraint which is only operative in the presence of or as a result of individual and social sin;
- 5) methodology - economic science as a stand-alone, tightly defined body of putative economic laws and truths, **or** economic science as system of integrated knowledge which endeavors to link or account for a variety of diverse considerations including legal and institutional arrangements; historical, sociological, psychological and anthropological considerations; the divine role of justice, stewardship, and work in society; the institutional and divine function of state, church, and family; and the role of Christian ethics in economic science and society;
- 6) faith/culture/science - the belief that the causal relationship between economic science, the economy, social ethos, and Christianity is attenuated at best and has little implication for economic science, **or** the belief that a causal relationship exists between economic science, the economy, social ethos, and Christianity, and that an understanding of this relationship is crucial to an understanding of all four elements involved; and
- 7) allegiance to Christ - the belief that Christians need not reject economic science or "the economy" to be faithful to Christ, **or** the belief that faithfulness ultimately requires the rejection of a secular world view and the institutional, economic, philosophical, ethical, and scientific beliefs and structures upon which it is founded.

In the minds of at least a few of the Christian economists considered here the distinction between monistic and pluralistic views of Christian economics transcends such issues, reposing on the historic struggle between the powers of light and the powers of

darkness. By excluding Christianity from serious intellectual discourse, economic science has unwittingly sanctioned and lent a strong measure of credibility to the secular humanist philosophy which dominates this world. Economic systems and the economic science which describes such systems are known to have an influential effect on social ethos and social and economic behavior, and it is the contention of at least some that such consequences are not altogether good nor acceptable from a Christian standpoint. Self-interest, moral dualism, excessive individualism, and materialism might be included in this category as are the injustices and inequities resulting from such behavior. The issue thus arises as to whether or not the evolving economic order and encroaching secularism has marginalized or undermined the role and influence of Christianity and by implication God's influence in this world, a question which Tiemstra and McKee would answer affirmatively as would probably Ely, Commons, and Clark et al.

The orthodox Christian economists considered in this study would, of course, challenge such an assessment, acknowledging perhaps elements of the heterodox critique, but countering that the reality of living and working in a pluralistic world necessitates some measure of compromise. To disavow the pluralistic reality of this world would only diminish the influence wielded by the Christian economist in this world. This is the argument explicitly cited by Richardson, and it is implicit in the arguments advanced by Waterman. Heyne takes this theme a step further, arguing that the Christian is under no moral obligation to influence society, that his responsibility as a disciple of Christ is to share the Gospel on a personal level, and that efforts to introduce Christianity into economic or political discourse have had the unfortunate effect of compromising both the political process and the Christian religion. Carver argues that Christianity should conform to the world and not the other way around.

The distinction between monistic and pluralistic views of Christian economics thus appears to reduce to an issue of faith and culture, an issue which has more to do with theology than with economics. Economics, however, is certainly not above the fray, and

similar to other issues bearing on the respective roles of Christianity and culture, it has become the focal point for a lively debate; in this case, involving the scientific status of economics and the system of natural economic relations it purportedly describes. Those Christian economists who subscribe to this view, or who at least argue that a pluralistic view of economic science is highly serviceable and useful to humanity, necessarily adopt a much different view of economic, social, and even theological reality than do their heterodox counterparts who deny that economics is a self-contained science. One gets the impression, however, that all of the economists considered here are aware that this question has only limited value apart from a more encompassing theological arguments, and it is here that we observe the introduction of Christian arguments into their economic thought.

It would thus seem evident that an acknowledgment of all such considerations would be crucial to a proper understanding of the ideas set forth by Christian economists. Accounting for such considerations, however, is a potentially misleading exercise, and it is the contention here that an effort should be made to address all such issues in totality. This does not suggest Christian economists must be fully aware of the manifold ideas and argument advanced by those who hold opposing views. What it does suggest, however, is that Christian economists should endeavor to identify and explain where they stand with regard to the seven distinctions noted above. While this is unlikely to change hearts and minds, it would at the very least minimize the incommensurability of ideas which invariably arises in discussions of this type.

7. Christian Economics: Towards A Synthesis

7.1 Introduction

In chapter two, the thought of the early group of Christian economists are presented in the context of the gestalt specific to the time and place in which they write. In chapter three, it was argued that the thought of these economists is demonstrably tied to

the issues of the day, situationally specific and culturally bound, premised on dissimilar doctrinal views and perceptions, reflects a desire on the part of these writers to advance a particular socioeconomic vision, and is comprehensible only in the context of the methods they thought necessary to effect such an outcome. Chapter three also assesses the rhetorical and ameliorative role of Christianity in the thought of the earlier economists, identifying the former as a useful but unessential accretion to their arguments and the latter as performing a more substantive, integral role. In chapter four, the thought of contemporary Christian economists was surveyed, with a special emphasis given to the approaches and arguments these writers employed in opposition to or in support of a Christian approach to economics.

The question which remained unresolved up through the first four chapters, however, was why the eleven economists considered in this study hold to different views on a variety of issues and the implications such distinctions have for an overall understanding of Christian economics. This latter questions was taken up in the last three chapters of this study: chapter five providing a survey and assessment of the philosophical tradition associated with the thought of the various economists considered in this study and an assessment of Christian economics as social control; chapter six providing an assessment of the evolving pattern of American Christianity, social and economic systems, economic science, the economic profession, and the influence these considerations have had on Christian economics over the two periods under consideration; and this chapter which provides an assessment of the monistic/pluralistic distinction and the various consideration identified as being apropos to this distinction.

The discussion associated with each of these chapters has merit, and it would be inappropriate to address the various issues raised apart from the distinctive focus provided by each. It should be evident, however, that the issues raised and the explanations proffered in chapters five, six, and seven are not unrelated, and a discussion of this relationship is worth considering in its own right. The discussion on the monistic/pluralistic distinction

as described in this chapter helps provide a framework for understanding the concerns and views endemic to differing philosophical traditions and the two different time frames considered. Differences which have emerged with respect to economic science, American society, and the world economy over the past century have influenced the various philosophical traditions identified in chapter five and have heightened the dissimilarities evident in the monistic/pluralistic discussion identified above. Finally, few would deny that the philosophical tradition associated with various religious, cultural, and ideational groupings has not had a significant impact on Christian economics over the past century as well as on the broader issue of faith and culture as addressed in this last and final chapter. Taken as a whole one might therefore conclude that the general themes and issues raised in the final three chapters of this dissertation are not nearly as segmented and as well-defined as one might surmise.

The question therefore arises as to whether or not all of the issues and themes raised in the context of this study can be addressed through one generalized explanation. Given the number and complexity of issues involved, the answer is probably no. But if one were to reduce the discussion to its core, it would center on either one of two approaches to an understanding of the relationship between Christianity and economics: (1) an evaluation of the putative scientific claims of positive economics and its corollary that the identification of separate and distinct normative objectives are sufficient to identify all possible economic outcomes; or (2) an evaluation of the process by which Christianity as defined by a particular philosophical tradition influences the Christian economist's methods, ideas, arguments, and approach to Christian economics.

Waterman and Brennan adopt the first approach in the book they edited, *Economics and Religion: Are They Distinct?* Adopting the perspective of the impartial analyst, these two writers along with others assess the putative scientific status of economics. Acceding to the view that economics truly is a science, it could be argued that Christianity is indeed distinct from economic science, and that any comparison of Christian economists

should be limited to a comparison of various normative objectives and perhaps methodology. The origins of normative objectives, it could be further argued, is outside the purview of economic science and that methodology is simply a way of going about defining and explaining "what is." If this is true, the question naturally arises as to whether or not there is a definable body of knowledge known as Christian economics, or whether what we have here is simply Christian economists, however defined, who choose to either explicitly reference their normative Christian beliefs in their economic thought or critique efforts of others to do so. This is the position advanced by Waterman,¹³³ and it is a position worth noting.

Despite this argument, or perhaps even because of it, it is worth considering why economists have endeavored to explicitly introduce Christian ideas, objectives, and modes of realizing such objectives into their economic thought. Contemporary economists such as Tiemstra and McKee obviously believe that what they are endeavoring to do is fundamentally different from say the explicit normative arguments advanced by Milton Friedman or John Kenneth Galbraith. Christianity, they argue, provides important distinctive information not only in terms of "what should be" but also in terms of "what is," and to conceal such information or to simply label it as normative is to hamstring the efforts of the Christian economist and, more substantively, to deny the Lordship of Jesus Christ. They would further argue that orthodox economic methodology is not truly value-free, but value-laden, reflecting the *Weltanschauung* of the secular mind, and to adopt such a methodology without significant modification is to adopt an essentially non-Christian social and economic view of the world. This is the argument advanced by various Christian proponents of the postmodernist view of science, and it is a position which appears to be gaining ascendancy in the ongoing debate among Christian economists.

7.2 Towards a Synthesis

The postmodernist critique, however, still leaves a number of questions unanswered. It is not clear how or in what sense Christian beliefs or doctrines are introduced into economics or from whence they arise, why such beliefs differ from one Christian economist to the next and over time, how Christian beliefs may or may not be adequately allowed for by particular methodological constructs or economic systems, and how or in what sense economic science or alternative world views influence the beliefs and objectives of the Christian economist. Given a postmodernist stance, the assessment of Christian economics would thus appear to require the identification of the processes linking *Weltanschauung* to economic science and discourse, and it is argued here that this can be accomplished through an assessment of *how* philosophical tradition relates to Christian economics.

If philosophical traditions were strictly comparable, then it might be possible to discuss Christian economics purely on the basis of dissimilar positions or arguments. But, of course, philosophical traditions do differ, and because they differ, the ideas, beliefs, concerns, modes of discourse, methods, etc. which a Christian economist brings to his thought will differ and so will his ideas, arguments, and his general view of Christian economics. This was the idea set forth in chapter five, and it was an idea implicit to the intertemporal and pluralistic/monistic discussions advanced in chapters three, six and seven. Philosophical tradition thus provides the starting point for an integrated approach linking all four chapters, explaining various issues such as rhetorical/ameliorative distinctions, social control, evolving patterns of Christianity, uniqueness, methodological distinctions, values and culture, etc. in the context of a particular *Weltanschauung*.

From what has been gathered in chapters three, five, six, and seven, *Weltanschauung* or philosophical tradition appears to influence economics in at least four different ways: (1) through the importation of Christian ideas; (2) through the historical, social and cultural setting in which the Christian economist presents his ideas; (3) through the

social and economic vision the Christian economist endeavors to establish and the means by which he hopes to carry this out; and (4) through the implicit foundational premises introduced into the Christian economist's thought by way of the underlying paradigm.

All four determinants give a distinctive orientation to the writer's thought. More importantly, when presented in this way the many ideas and arguments encountered in this dissertation can be traced to distinctive Christian and nonChristian origins, and if Christian economics is to be viewed as distinctive from secular economics it would appear to be so in this context, representing the middle ground between Christian social thought and economic science. The former can be viewed as the study of Christian perspectives on social and economic behavior and society, the latter as the study of "what economists do," and the way in which Christian economists attempt to integrate or link these two bodies of knowledge defines at least in some sense Christian economics.

7.2.1 Importation of Ideas

In the survey chapters one often observes the language, rhetoric, concerns, beliefs, ideas, etc. peculiar to a particular social milieu, social grouping, or religious denomination from which the writer hails. In many cases, the concepts, ideas, and modes of discourse, etc. employed were simply a rhetorical overlay, reflecting a nonessential importation of language from an alternative body of knowledge. Clark's reference to the "tie that binds" represents one such example as do Ely's "woe is me" and Bemis' "give us our daily bread." The intent in such cases is exhortative rather than ameliorative, being used in an effort to demonstrate a commonality of beliefs from whence to mobilize social action.¹³⁴

In other cases, the importation of socially or religiously peculiar language or ideas serves a more substantive purpose, introducing themes not generally found or emphasized in the economic literature. All of the writers considered in this study have engaged in this practice, and it is only necessary to list some of the more prominent examples. These include the idea of "civic duty" and "moral law" introduced by Andrews in his discussion on

a morally premised view of the economy and economics.¹³⁵ The "organic" view of society and the concept of solidarity introduced by Ely and Commons in an effort to promote a holistic view of economics and society was similarly borrowed from other sources.¹³⁶ Waterman borrowed the concept of theodicy in an effort to provide a theological basis for self-interest, and to demonstrate how the problem of scarcity is ameliorated through the economizing efforts of men.¹³⁷ Heyne relies on ideas similar in nature if not in origin to that of Hayek in his critique of Christian economics.¹³⁸ Tiemstra borrows ideas pertaining to the divinely mandated nature of work, family, and state along with the concepts of stewardship and institutional and world redemption from the neoCalvinist ideas associated with Calvin, Kuyper, Dooyeweerd, and others.¹³⁹ Carver employs the secular idea of social Darwinism as advanced by Spencer, Sumner, Youmans and others in an effort to promote a religiously premised social vision.¹⁴⁰ McKee systematically integrates the scholastic concept of justice into the existing scientific framework in an effort to introduce normative guidelines and "moderate realism" into economic science.¹⁴¹

In all such cases, the importation of ideas can be viewed as a purposeful effort to link ideas originating from an external body of knowledge or belief system to a body of economic knowledge which is otherwise divorced from such concerns. In some cases, the information brought from noneconomic sources represents an essential element or concept in the thought of these writers. The ethos of volunteerism associated with Ely's thought, the social Darwinist philosophy of Carver, the organic view of society advanced by Commons, the concept of social and economic justice introduced by McKee, and the idea of divinely ordained institutional reform advanced by Tiemstra would appear to fall into this category. In other cases, the importation of external knowledge appears to strengthen the arguments advanced by these writers, but in a nonessential way. In either case, the knowledge so provided originates from an external system of beliefs, experiences, theological perspective, knowledge, religious, social subgroupings, etc., what was identified in chapter five as philosophical tradition.

7.2.2 Historical, Social and Cultural Setting

Philosophical tradition as defined in chapter five is historically, culturally, and situationally specific and this places limits on the options, methods, and knowledge available to the Christian economist at any given time or place. What is knowable or viewed as acceptable or beneficial will obviously vary with respect to the social milieu and intellectual environment in which the economist lives and writes. This cannot be avoided, and it has important implications for Christian economics for at least three reasons. First, what is deemed acceptable or desirable by the economic profession in its entirety may not correspond to the philosophical tradition from which a writer approaches his subject. Second, what is knowable may and often does vary from one period to the next or from place to place, limiting the options available to the Christian economist. Third, modes of discourse and methodology will vary over time, and since the Christian economist is invariably influenced by such considerations, Christian economics will mirror more general developments in economic science and the world in which he lives. This latter consideration appears to be especially relevant to the arguments advanced by the contemporary heterodox Christian economists Tiemstra and McKee.

First, it should be apparent that what is deemed *acceptable* or desirable by the economic profession in its entirety may not correspond to the philosophical tradition from which a writer approaches his subject. This would appear to be true of the activist approaches advanced by Ely, Commons, and Bemis which encountered considerable opposition from other economists of the time, and would surely be viewed as inappropriate in a modern intellectual setting. The same may be said for Tiemstra and McKee who desire to introduce religious or social concepts originating from a different time and more parochial setting into a pluralistic setting which affords little appreciation of the ideas and arguments being offered.

Second, what is *knowable* may and often does vary from one period to the next or from place to place, limiting the options available to the Christian economist. In terms of

objectives and methods, the arguments employed by Ely, Commons, Clark, et al. are comparable in many ways to those of Tiemstra and McKee. Where they differ, however, is the mode of exposition and argument, the latter having access to over one-hundred years of intellectual development and knowledge unavailable to the heterodox economists writing a century before. It was perhaps this distinction which prompts Waterman and Heyne to argue that it is the means and not the objectives which distinguish the ideas and arguments set forth by various Christian economists. In any event, such distinctions do appear to be evident, and an understanding of such distinctions cannot be separated from philosophical tradition or *Weltanschauung*, which is similarly influenced by evolving patterns of knowledge and understanding.

Finally, *modes of discourse* and rhetoric will also differ from one period to the next or from place to place, and this limits the options available to the Christian economist. The Christian economist writing during the 20th century interacts with a much different audience than his 19th century counterpart, and, with few exceptions, it is the audience rather than the economist which determines the mode of discourse and rhetoric the he employs.¹⁴² The same is true for the Christian economist who lives and works in a country or region which holds to much different views than himself. The Christian economist who works and lives in a Moslem country would be in a much different position than a Christian economist who had the good fortune to live and work in a Christian country, or *a fortiori* in close proximity to and in cooperation with a like-minded group of Christian economists.

Twentieth century cosmopolitanism has diminished such dissimilarities, enforcing a more universal mode of communication, and from the standpoint of Christian economics, this has had the unintended effect of excluding or limiting the type of parochial ideas and modes of discourse the Christian economist desires to employ in his thought, a result which has important implications for the dissimilarity observed among the eleven Christian economists considered in this study and Christian economics in general.¹⁴³

7.2.3 Social Control

The third consideration warranting attention in the context of the present discussion is social control. In chapter five, it was argued that the economists considered in this study desire to impart a social and economic vision to society. This may be accomplished in any one of a number of ways including the dissemination of and control over economic ideas; control over economic "rules" and relationship; passive support of prevailing socio-economic arrangements; control over institutional structures such as government and the church; and control over the beliefs, customs, ideas, and modes of behavior of society in general. Such control may at times involve coercion such as the desire on the part of Ely and Commons to ameliorate economic inequality through the power of government, or persuasive as when Carver raises the theme of Christianity to convince people of the virtues of a social Darwinist order.¹⁴⁴

Assessing the relationship between philosophical tradition and social control is, of course, a major undertaking, and the discussion provided in chapter five is more suggestive than definitive. It should, nevertheless, be evident that the motives and methods associated with social control cannot be separated from the beliefs, agenda, history, methods, and ideas of the social and religious subgrouping of which he is a part. Commons' efforts to mobilize the church was contingent on a willingness of various local churches to engage in the practices and methods he advocated. Many local churches in 19th century America were willing to broaden their role in society, while many were not. The reasons underlying these two respective views probably had more to do with the prevailing social ethos, religious practices, and shared experiences than with a reasoned evaluation of the proper role of Christianity and church in society.¹⁴⁵

Commons was, of course, aware of the role that socioeconomic beliefs and ideas performed in such decisions, and it was this belief which prompted him to use persuasion as a means to enlist the services of the church in a broad based effort to reform society. The effort, however, was more than one person or even a small group of dedicated re-

formers could hope to accomplish. Yet, if it were not for the Social Gospel movement and the parochial belief systems he observed during his youth, it is questionable whether or not he would have advanced such an approach. The American exceptionalism argument suggested in chapters five and six would thus appear to play a significant, if little appreciated, role in Commons' Christian economic thought, and, of course, this argument is much the same as suggested in this final section.¹⁴⁶

A similar effort can be discerned in the thought of the other eleven Christian economists considered in this study. Ely looked to 19th century volunteerism, a corporate view of Christianity, and an ethos of selflessness as a basis for a more expansive transformation of society. Clark looked to a similar social ethos to provide the moral leadership he judged necessary to usher in a new system of social and economic relationships. McKee looks to the views and perceptions of the Roman Catholic Church, Catholic believers, and like-minded individuals as the motive force behind a broad based effort to introduce the concept of justice into economic and government decisions. Tiemstra looks to a smaller group of Protestant believers as the starting point for the wide-scale adoption of the metaprinciple stewardship. Carver looked to the social Darwinist ideology and mind set which was popular around the turn of the last century as a basis for his thought. Waterman relies on the intellectual legacy handed down by Malthus, Whately, Chalmers, and others as a basis for his ideas concerning the appropriate relationship between Christianity and the economy and theology and economic science. Heyne looks to the philosophical liberalism associated with writers such as Adam Smith and Friedrich Hayek as a basis for his critique of alternative visions of a Christian society. In all such cases, the Christian economist looks to elements of the philosophical tradition most closely associated with his thought as a basis for the type of social control he endeavors to advance.

7.2.4 Christian Economics and Secular Foundational Principles

Finally, it should be evident that irrespective of why a particular Christian economist chooses one particular approach or paradigm over another, the selection once made brings with it a preexisting set of ideas, concepts, concerns, modes of inquiry, methodology, modes of discourse and application, etc. The approach and the foundational premises upon which it reposes are often linked in such a way as to render the approach inoperative apart from such foundations, or conversely to render the foundational principles vacuous apart from the way in which they are employed. Efforts to separate the foundational premises from the paradigm in which it is normally employed or to replace the existing foundations with a set of more palatable alternatives often meets with frustration and failure. It is therefore arguable that the selection of a well-established paradigm implies the adoption of the foundational principles upon which it premised, and it is in this sense that it is argued that neoclassical economics imparts a set of foundational suppositions to the Christian economist's thought.¹⁴⁷

Parenthetically, it should be noted that the argument set forth here is not unique to neoclassical economics. Implicit to any economic paradigm is a particular *Weltanschauung* which frames its assumptions, applications, and objectives. This lends a peculiar bias which is reinforced through an insularity of views and opinions, a prevailing consensus of truth, and the authority and respect granted leading contributors in the field.¹⁴⁸ Together these considerations imply certain limitations with regard to scope and subject, imply certain modes of behavior, and circumscribe the types of data to be used as well as its applications. Such limitations would appear to be inescapable, being true not only of neoclassical economics, but to a greater or lesser extent all modes of economic inquiry.

Neoclassical economics, however, warrants special consideration for a number of reasons. First, unlike the heterodox approaches considered in this study it appears to be closely linked to a positivist view of economic reality, excluding metaphysical considerations, unverifiable phenomena, and other such considerations which might be of

interest to the Christian economist. Second, it is premised on ontological foundations which may be viewed as undesirable, unChristian, or untrue from a Christian standpoint. Third, the operational routines most closely associated with the paradigm imply a degree of rationality and mode of behavior which some Christians find unacceptable. Fourth, it is much more prominent and firmly entrenched than the heterodox paradigms considered in this study, and this reinforces a tendency towards well-established and accepted modes of discourse which exclude Christian modes of persuasion. Fifth, the philosophical foundations associated with neoclassical economics are thoroughly secular in origin, and it is not clear to what extent such foundations are implicitly imparted to a Christian economist's economic thought. Sixth, the positive core of the paradigm is closely linked to a particular view of the market economy, and this has implications with regard to social ethos, human behavior, economic relationships and economic justice. Finally, the scope and subject of neoclassical economics - namely, the maximization of subjectively determined objectives - is much more narrowly defined than the issues which are of interest to many Christian economists.

The foregoing issues have important implications with regard to the subject of Christian economics. First, it can be argued that the selection of a particular paradigm is inextricably linked to the application for which it is used, and, in the context of Christian economics, such a relationship should not be overlooked. Second, the foundational principles imparted to a writer's Christian economic thought has implications with regard to theology and the Christian religion, and this too is worthy of further investigation. Third, the selection of the neoclassical paradigm has implications with regard to the putative scientific status of economics and the postmodernist critique which calls into question the certitude of foundational knowledge. Finally, all of the issues noted above are worthy of consideration in their own right, and any effort to establish Christian economic thought as a separate and identifiable body of knowledge within the discipline of economics would be

incomplete without an assessment of how such issues interact with the Christian economist's approach to Christian economics.

7.2.5 Conclusion

The foregoing synthesis suggests that the diverse ideas, arguments and approaches encountered in this study can be understood in the context of the relationship between philosophical tradition as described in chapter five and Christian economics. This relationship can be evaluated in four distinct ways: through the importation of ideas, through social control, through situationally specific limitations imposed on the writer's thought, and through the implicit foundational premises introduced into the writer's thought by way of the underlying paradigmatic structure.

Each type of influence affords a conclusion specific to the type of analysis performed. The first type of influence, the importation of ideas, identifies the process by which ideas are imported from one body of knowledge to another, the purpose such ideas serve, and how they are instrumental in the formulation of a Christian approach to economics. The second type of influence - dealing with the historically, culturally, and situational variations in Christian economic thought - demonstrates how the choices made by the Christian economist are systematically influenced by prevailing ideas, beliefs, institutional structures, paradigms, etc. The third type of influence, social control, identifies the various methods employed by Christian economists to control or shape society, and, in so doing, establishes the role of *Weltanschauung* and parochial consideration in accomplishing this end. The fourth and final type of influence addresses the issue of methodological prescription, suggesting that the foundational principles associated with the neoclassical paradigm are only positive in the most limited sense of the word, and that such principles are systematically introduced into the Christian economist's thought.

All four influences originate from a common origin, philosophical tradition, and when considered collectively they paint a very diverse picture of all the issues bearing on

Christian economic thought. An assessment of the putative scientific status of economics is one way of thinking of the subject, but the distinction transcends this consideration, touching upon a number of issues including the nature of economic man; the nature and scope of the science; the nature of economic systems; social ethos; Christian doctrine; economic and social justice; political and economic freedom; stewardship; the theological role of the family, church and state; allegiance to hierarchical leadership; economic and theological objectives; and the way in which such considerations interact, for what purpose and to what end. All of these considerations are not independent, reflecting a much more general distinction in *Weltanschauung* or how Christian economists view the world.

When viewed in this context, the continuing and ongoing debate between orthodox and heterodox Christian economists takes on a much larger meaning than that implied by the more limited debate on the scientific status of economics. The relationship between Christianity and economics touches upon a number of issues and it is inappropriate to circumscribe the discussion in such a way as to selectively exclude one or more of such issues. This does not suggest that a more inclusive discussion will provide a definitive assessment of what Christian economics is or should be. It will not. What it will do, however, is afford a comparable assessment of the many topics encountered in this dissertation without lending undue emphasis to any one.

The contention here is that this objective cannot be accomplished apart from an identification of the many distinctive ways in which philosophical tradition influences the Christian economist's thought. The approach suggested here provides a means through which to make this assessment, and while it is only suggestive and only one of many different methods, it would appear to offer a promising first step towards a systematic understanding of the ideas and issues raised in the context of this study.

Footnotes

- ¹ Waterman, A.M.C.. "Economists on the Relation Between Political Economy and Christian Theology: A Preliminary Survey," *International Journal of Social Economics*, 1987, pp. 46-47.
- ² *ibid.*, p. 55.
- ³ McKee, A.F., "Christian Economic Policy and the Role of Economic Science," *Review of Social Economy*, December, 1987, p. 243, 255-256..
- ⁴ *ibid.*, p. 61.
- ⁵ *ibid.*, p. 47.
- ⁶ *ibid.*, p. 46.
- ⁷ *ibid.*, pp. 47-49.
- ⁸ For a discussion on the methodological views of views Carver, Richardson, Heyne, and Waterman see section 4.2 of this chapter.
- ⁹ *ibid.*, p. 47.
- ¹⁰ Brennan, H. Geoffrey and A.M.C. Waterman (Eds.), *Economics and Religion: Are They Distinct?*. Boston: Kluwer Academic Publishers, 1994, pp. 249-250.
- ¹¹ While Carver allows for dissimilarities in social, political, and economic structures, the inexorable process of natural selection will inevitably take its toll, selectively eliminating those cultures, economic systems, religions, etc. which fail to conform with the laws of nature as evidenced by natural selection.
- ¹² Hilyer, P.N., "Newton, Isaac," in *New Dictionary of Theology*, Ferguson, S.B., Wright, D.F., and Packer, J.I. (Eds.), Downers Grove, IL: Intervarsity Press, 1988, p. 467.
- ¹³ It was Hume who used the term "moral Newtonianism" in his *Treatise of Human Nature*. Thompson, H.F., "The Scottish Enlightenment and Political Economy," in *Pre-Classical Economic Thought*, Lowry, S.T., Boston: Kluwer Academic Publishers, 1987, p. 245.
- ¹⁴ *ibid.* p 244.
- ¹⁵ Waterman, A.M.C., *Revolution, Economics & Religion: Christian Political Economy, 1798-1833*. Cambridge: Cambridge University Press, 1991, Chapter 4.
- ¹⁶ Rashid, Salim, "Commentary by Salim Rashid," in *Pre-Classical Economic Thought*, Lowry, S.T., Boston: Kluwer Academic Publishers, 1987, p. 258.
- ¹⁷ *ibid.*, p. 259.
- ¹⁸ Carver, Thomas N., *The Religion Worth Having*, Boston, 1912, pp. 22, 50, 90.
- ¹⁹ Both Heyne and Waterman argue that the type of changes envisioned by Christian commentators of the economy are from a practical standpoint impossible and inconsistent with the objectives set forth by such critics. Richardson makes no such contention, but his advocacy of neoclassical economics lends support to this contention.
- ²⁰ The diminution of ecclesiastical authority during the 19th Century occurred in both Catholic and Protestant countries. Catholic political authority prior to the French Revolution and Italian Revolutions rested in large measure on its considerable property holdings, and with the loss of such holdings "neither society nor the church-in society could be the same again." Hales, E.E., *Revolution and Papacy: 1769-1846*, New York: Doubleday, 1960, p. 129. In Britain ecclesiastical authority was derived from the long-standing social and political alliance between the Anglican Church and the institutions of British society. Political developments throughout the Nineteenth Century served to undermine the influence of this alliance and by the end of the century, the British political process was thoroughly pluralistic in character. Clark, J.C.D., *English Society 1688-1832: Ideology, Social Structure and Political Practices during the Ancien Regime*, Cambridge: Cambridge University Press, 1985, pp. 390-410; Norman, E.R., *Church and Society in England, 1770-1970*, Oxford: Clarendon, 1976.
- ²¹ Whether or not changing religious practices provided an impetus for the emergence of capitalism as suggested by Weber, is, of course, debatable.. It is clear that changing religious practices were accompanied by economic liberalization. See Weber, Max, *The Protestant Ethic and the Spirit of Capitalism*, translation Talcot Parsons, New York: Charles Scribner's Sons, 1930.

- ²² See Waterman, A.M.C., *Revolution, Economics & Religion: Christian Political Economy, 1798-1833*. Cambridge: Cambridge University Press, 1991. Chapter 5.
- ²³ The emergence of an insular view towards the role of Christianity and Society in 19th Century America is taken up in chapter five, section 1.3.4.
- ²⁴ For a discussion of the theological origins of an organic view of society see chapter five, section 1.4 and 1.7.3.
- ²⁵ McKee, A.F., *Economics and the Christian Mind*, New York, NY: Vantage Press, 1987, pp. 46-47.
- ²⁶ Andrews, E. Benjamin, *Wealth and Moral Law*, Hartford, CN: Hartford Seminary Press, 1894, p. 69.
- ²⁷ Clark, John Bates, *The Philosophy of Wealth*, Boston: Ginn, 1886, pp. 173, 187; Clark, John Bates, "Spiritual Economics," *New Englander and Yale Review*, May, 1880, p. 312.
- ²⁸ Ely, Richard T., "Christianity as a Social Force." In Barrows, John Henry (Ed.), *The World's Parliament of Religions*, Volume 2, Chicago: Parliament Publishing, 1893, p. 1059; Bemis, Edward W., "The Relation of the Church to Social Questions," *Dawn*, I, July-August, 1890, pp. 157-158; Commons, John R., "The Christian Minister and Sociology." In Commons, John R., *Social Reform & The Church*, New York: Augustus M. Kelley, 1967, p 7; "The Educated Man in Politics." In Commons, John R., *Social Reform & The Church*, New York: Augustus M. Kelley, 1967.
- ²⁹ Kuyper, Abraham, *The Problem of Poverty*, Opening Address at the First Christian Social Congress in The Netherlands, November 9, 1891. Edited and Introduced by James Skillen, Grand Rapids, MI: Baker Book House, 1991, p. 60..
- ³⁰ op. cit., McKee, A.F., *Economics and the Christian Mind*, pp. xii-xiii.
- ³¹ For a discussion of the theological arguments in support of McKee's contention that believers have "obligation to concur," see McKee, A.F., "Christian Economic Policy and Role of Economic Science." *Review of Social Economy*, December, 1987.
- ³² Bemis, Edward W., "Old Time Answers to Present Problems as Illustrated by the Early Legislation of Springfield." *New Englander and Yale Review*, February 1887, p. 127.
- ³³ op cit., Commons, "The Educated Man in Politics." p. 66.
- ³⁴ op cit., Commons, "The Christian Minister and Sociology." p. 15.
- ³⁵ *ibid.*, pp. 14-15.
- ³⁶ Commons, John R., "The Church and the Problem of Poverty" *Social Reform & The Church*, New York: Augustus M. Kelley, 1967, pp. 29-48.
- ³⁷ Clark, John Bates, "The Moral Outcome of Labor Troubles." *New Englander and Yale Review*, June, 1886, p. 534.; Clark, John Bates, "How to Deal with Communism." *New Englander and Yale Review*, July 1878, pp. 534-535.
- ³⁸ Clark, John Bates, "Christianity and Modern Economics." *New Englander and Yale Review*, July 1887, pp. 57-59; Clark, John Bates, Review of Richard T. Ely's *Labor Movement*, *The New Englander and Yale Review*, 1886, p. 1055.
- ³⁹ Ely, Richard T., "Socialism, Its Strength and Its Weakness," *Independent*, March 28, 1891, p. 9.
- ⁴⁰ Ely, Richard T., *Social Law of Service*. Reprinted in Robert T. Handy (Ed.), *The Social Gospel*, New York: Oxford University Press, 1966, p. 224.
- ⁴¹ Tiemstra, John P. et. al., *Reforming Economics: Calvinist Studies on Methods and Institutions*, Lewistown, NY: Edwin Mellen Press, 1990, chapter 8.
- ⁴² *ibid.*, p. 66.
- ⁴³ McKee, A.F., *Economics and the Christian Mind*, New York, NY: Vantage Press, 1987, p. 137.
- ⁴⁴ *ibid.*, pp. 130-131..
- ⁴⁵ *ibid.*, p. 130.
- ⁴⁶ op cit., McKee, "Christian Economic Policy and the Role of Economic Science, p. 251.
- ⁴⁷ op cit., *Economics and the Christian Mind*, 126-127, 130-131. op cit., McKee, "Christian Economic Policy and the Role of Economic Science, p. 251.
- ⁴⁸ op cit., Carver, *The Religion Worth Having*, pp. 22, 50, 127.
- ⁴⁹ Carver, Thomas N., "Review of Simon Nelson Patten's *Social Basis of Religion*, *American Economic Review*," December, 1911, p. 793; op cit., *The Religion Worth Having*, pp. 12, 15, 18, 22, 23, 50, 90.
- ⁵⁰ Carver, Thomas N., "What is Justice?" In T.N. Carver, *Essays in Social Justice*, Cambridge, MA: Harvard University Press, 1915, pp. 11, 31; op cit., "Review of Simon Nelson Patten's *Social Basis of*

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- 56 op cit., Waterman, "'Social Justice', Economics and the Problem of Evil." p. 4.
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- 58 *ibid.*, p. 7.
- 59 *ibid.*, p. 53.
- 60 *ibid.*, p. 54.
- 61 Heyne, Paul. *The Catholic Bishops and the Pursuit of Justice*, Washington, D.C.: The Cato Institute, 1992, p. 10; Heyne, Paul. "Christianity and 'the Economy'," *This World*, 1988, p. 29; Heyne, Paul. "Passing Judgement." Remarks prepared for presentation at a workshop sponsored by Gordon College Department of Economics for the Association of Christian Economists, January 1, 1994, p. 4.
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- 67 Richardson, J. David. "Frontiers in Economics and Christian Scholarship." *Christian Scholar's Review*, June, 1988, pp. 382-383.
- 68 Richardson, J. David. "Christian Doubts about Economic Dogmas." In Peter Wilkes (Ed.), *Christianity Challenges the University*, Downers Grove, IL: IV Press, 1981, p. 52.
- 69 op cit., Richardson, "Frontiers in Economics and Christian Scholarship," p. 389.
- 70 Richardson, J. David. "What Should (Christian) Economists Do? ... Economics!" Paper presented at workshop sponsored by Gordon College Department of Economics and the Association of Christian Economists, Boston, MA, January 1-2, 1994, p. 3.
- 71 For a discussion of the applications of neoclassical economics to public policy see Ferguson, C.E., *Microeconomic Theory*, 3rd Ed., Homewood, IL: Irwin, 1972; Henderson & Quandt, *Microeconomic Theory*, New York: McGraw-Hill Books, 2nd ed., 1972; Varian, H.R., *Intermediate Microeconomics*, 3rd ed. New York: Norton Co., 1993.
- 72 Brue, S.L., *The Evolution of Economic Thought*, Ft Worth, TX: Dryden Press, 1994 chapters 5-8 and 13; Ekelund, R.B. and Herbet, R.F., *A History of Economic Theory and Method*, New York: McGraw Hill, 1990 chapters 5-8 and 21; Schumpeter, J.A., *History of Economic Analysis*, New York: Oxford University Press, 1961 Part I: chapter 5-6, Part II: chapters 4-7.
- 73 For a discussion on the economic policies advanced by Carver, Waterman, Richardson, and Heyne in the context of their Christian economic thought see chapters 2 and 4.
- 74 op cit., Tiemstra, *Reforming Economics*, p. 56.
- 75 This is the argument set forth by Commons in his papers "The Church and the Problem of Poverty" and "Temperance Reform." Commons, John R., *Social Reform & The Church*, New York: Augustus

- M. Kelley, 1967.
- 76 Commons based this argument on his assessment that human behavior and spiritual enlightenment is inextricably related to a social evolutionary process which is closely linked to the interaction of the socioeconomic milieu and familial nurturing over many generations. See op cit., Commons, "The Church and Political Reforms." p. 73; op cit., Commons, "The Church and the Problem of Poverty." pp. 32-34.
- 77 The process by which evolutionary and spiritual development is of course much different from the ontological foundations set forth in classical and neoclassical economics, and it is this distinction which explains Commons' criticism of the former. Insofar as behavior is inextricably tied to considerations outside of human control the concept of choice simply represents a rationale for vested interest to maintain the prevailing set of arrangements.
- 78 All of the heterodox writers were critical of a narrowly focused preoccupation on wealth, and looked to alternative modes of economic behavior and alternative socioeconomic arrangements as the basis for economic inquiry. For further discussion on the varying views adopted by these writers with regard to this issue see chapters 2 and 4.
- 79 Clark, John Bates, *The Philosophy of Wealth*. Boston: Ginn, 1886. p. 34.
- 80 All of the heterodox writers considered in this study look to an alternative ontological foundation, and argue that such behavior is influenced by socioeconomic considerations and the course of economic development. There appears to be some distinction, however, as to how such considerations work together to influence economic systems and economic behavior.
- 81 op. cit., Tiemstra, *Reforming Economics*, p. 108; op cit., McKee, A.F., *Economics and the Christian Mind*, p. xiii.
- 82 All of the heterodox Christian economists look to such developments as characteristics of the redeemed world. Where they differ is the process by which this will or should occur.
- 83 op. cit. *Wealth and Moral Law*, p. 55, 88, 115; Andrews, E. Benjamin, "The Duty of a Public Spirit." Brooklyn Ethical Association, *Man and the State*, New York, 1892, p. 6, 7, 11.
- 84 Standardized economic measures of well-being such as GDP per capita were not available during the 19th century. Yet, at least from the time of Smith, differences in living standards were evident between economic regions, countries, and over time. While living standards were rising in America, Britain and elsewhere during the 19th century, the heterodox writers did not view this development as necessarily beneficial to the working class, nor an excuse for exploitation.
- 85 op. cit., Clark, *The Philosophy of Wealth*, p. 201.
- 86 Unlike Ely, Commons, Bemis and Clark, neither Tiemstra nor McKee look to the explicit Christianization of society as a motive factor in their thought, instead relying more on the universal adoption of Christian modes of behavior. Tiemstra places little emphasis on the role of the church as an instrument for socioeconomic reformation, McKee somewhat more so. Neither of these two writer sees the church as the central institutional structure in a redeemed society. Finally, neither McKee nor Andrews look to a fundamental transformation of the socioeconomic system as do the other heterodox economists considered in this study.
- 87 For an assessment of the socioeconomic vision these three writers desired to impart see chapter 3.
- 88 It is noteworthy that Commons and Ely were not only critical of the ontological foundations associated with classical economics, but also took issue with the pluralistic view of religion advanced by various 19th Century American churches. While Bemis did not comment on the former consideration, he expressed dismay at the moral dualism which characterized much of late 19th century America. All three writers looked to a fundamental transformation in economic behavior, and this through the moral leadership provided by the Christian church, a development which is at odds with the view of humankind posited by orthodox economic science.
- 89 The holistic support towards economic science and world redemption adopted by these three writers lends support to this contention.
- 90 op. cit., Andrews, *Wealth and Moral Law*, p. 114.
- 91 This is the central thesis underlying Clark's scheme of world redemption.
- 92 It is noteworthy that all of the heterodox writers are critical of prevailing socioeconomic arrangements, and all looked to an improvement or transformation in such arrangements as an instrumental step towards a better society. Such a development will neither occur through the actions of disinterested

- economic participants nor apart from the moral leadership provided by the Christian religion.
- 93 op cit., Tiemstra. *Reforming Economics*, chapter 4.
- 94 For a survey of Tiemstra's thought see chapter 5.
- 95 op cit., McKee, A.F., *Economics and the Christian Mind*, pp. 2, 23-24, 139-150.
- 96 ibid., pp. xii-xiii, 19, 53-56, 58-59, 78-80, 139.
- 97 ibid., pp. 52-55.
- 98 For a discussion on the putative scientific status and its implication for economic science and Christian economics see the survey on Waterman in Chapter 5.
- 99 op cit., Waterman. "'Social Justice', Economics and the Problem of Evil." p. 8.
- 100 The thought of the other three orthodox economists considered in this study would lend support to Waterman's contention that economic is a science, or at very least should be treated as a science, even if it does not technically qualify as such. This distinction is discussed further in section 6 of this chapter.
- 101 op. cit., "What Should (Christian) Economists" pp. 5-6; op cit., Richardson, "Frontiers in Economics and Christian Scholarship." pp. 383-384, 389-390
- 102 ibid., pp. 387-389
- 103 ibid., pp. 382-383, 387-389, 391-396.
- 104 op cit., Tiemstra. *Reforming Economics*, chapter 2-3.
- 105 ibid., pp. 55-57, 64-70.
- 106 Commons' argument was directed at the church and not economic science. Despite this, he believed that economic science served as an apologetic instrument, an argument which, interestingly enough, appears to be supported by Malthusian population dynamics. In any event, Commons' held to the view that salvation and evangelical work could not be separated from the social and economic agenda and perceptions of the church and the Christian middle class. Ely, Clark, and Bemis and to a lesser extent Andrews shared this view. Neither Tiemstra nor McKee explicitly link the socioeconomic milieu, let alone economic science, to the issue of salvation.
- 107 This issue was raised in chapter five. It is also raised in a less explicit way in section 7.2.1 of this chapter where the discussion turns to the ideas, arguments, and reasoning Christian economists import from the philosophical tradition most closely corresponding with their thought.
- 108 op cit., McKee, A.F., *Economics and the Christian Mind*, pp. 14-15, 42-56; op cit., McKee, A.F., "Christian Economic Policy and Role of Economic Science." pp. 243-257.
- 109 Tiemstra, John. "What Should Christian Economists Do? Distinctively Christian Economics." Unpublished paper presented before the Association of Christian Economists, Boston, 1994, p. 1
- 110 Ely, Richard T., *Ground Under Our Feet, An Autobiography*, New York: Macmillan, 1938, p. 72.
- 111 op cit., Carver, "What is Justice?" p. 22; op cit., "Review of Simon Nelson Patten's" p. 793; op cit., *The Religion Worth Having*, pp. 15, 22, 90.
- 112 op cit., Waterman. "'Social Justice', Economics and the Problem of Evil." p. 3-5.
- 113 ibid., pp. 7-8.
- 114 op. cit., "Passing Judgement." p. 4
- 115 op. cit., *The Catholic Bishops and the Pursuit of Justice*, p. 21; op cit., "Christianity and 'the Economy'." pp. 28, 36-37; op. cit., "Passing Judgement." p. 3.
- 116 op cit., Richardson, "Frontiers in Economics and Christian Scholarship." pp. 382, 388, 391-392; op. cit., "What Should (Christian) Economists" pp. 1, 3, 5-7.
- 117 It is Polanyi's contention that all knowledge is ultimately premised on faith. Kuhn's description of a "paradigm" as a system of "universally recognized scientific achievements that for a time provide model problems and solutions to a community of practitioners." undermines the very concept of foundationally premised knowledge. Polanyi, M., *Personal Knowledge*, Chicago, IL: University of Chicago Press, 1958; Kuhn, Thomas, *The Structure of Scientific Revolution*, Chicago, IL: University of Chicago Press, 1962; Feyerabend, Paul, *Against Method*, London: Verso, 1988, p. 14; Pickering, Andrew, *Constructing Quarks*, Chicago: University of Chicago Press, 1984, p. 406
- 118 Samuels, Warren J. Ed. "'Truth' and 'Discourse' in the Social Construction of Economic Reality: An Essay on the Relation of Knowledge to Socioeconomic Policy." *Journal of Post Keynesian Economics*, Summer, 1991, p. 513.
- 119 ibid., p. 513.

- 120 McClosky, Donald N., *Knowledge and Persuasion in Economics*. Cambridge: Cambridge University Press, 1994, p. 48.
- 121 Wolterstorff, Nicholas. *Reason Within the Bounds of Religion*. 2nd ed. Grand Rapids, MI: Eerdmans Publishing Co., 1984, p. 45
- 122 *ibid.*, p. 62.
- 123 *ibid.*, p. 57.
- 124 Tiemstra, John P., "Christianity and Economics: A Review of Recent Literature." *Christian Scholar's Review*. 1992, p. 232
- 125 *op cit.*, McKee, A.F., *Economics and the Christian Mind*, p. 182.
- 126 *ibid.*, pp. 148-149.
- 127 *ibid.*, p. 149.
- 128 *op cit.*, Ely, *Ground Under Our Feet*, p. 34; Ely, Richard T., "The Past and Present of Political Economy." *John Hopkins University Studies in History and Political Science*. March 1884, pp. 39, 54.
- 129 *op cit.*, Commons, John R., *op cit.*, "The Educated Man in Politics," pp. 64-65.
- 130 *op cit.*, Heyne, "Christianity and 'the Economy'." p. 29, 38; *op cit.*, "Christianity and 'the Economy'." *This World*, Winter, 1988, p. 26-37; *op cit.*, "Controlling Stories," p. 13; *op cit.*, "Passing Judgement," p. 3.
- 131 *op cit.*, Richardson, "Frontiers in Economics and Christian Scholarship," p. 389.
- 132 *op cit.*, Brennan, H. Geoffrey and A.M.C. Waterman (Eds.), *Economics and Religion: Are They Distinct?*, pp. 249-250.
- 133 *ibid.*, pp. 249-250.
- 134 Clark, John Bates, "Spiritual Economics." *New Englander and Yale Review*, May 1880, p. 312; *op cit.*, Ely, *Ground Under Our Feet*, p. 34; Bemis, Edward W., "Socialism and State Action." *Journal of Social Science*, September 1886, p. 35.
- 135 Andrews, E. Benjamin, "The Duty of a Public Spirit." Brooklyn Ethical Association, *Man and the State*, New York, 1892, pp. 6-7, 11, 16; *op cit.*, Andrews, *Wealth and Moral Law*, p. 10.
- 136 Ely attributes the ideas of an organic view of society and solidarity to the European historical schools. *op cit.*, Ely, "The Past and Present of Political Economy," pp. 49-51. It would be reasonable to assume that Commons borrowed similar ideas from his mentor, Richard Ely.
- 137 *op cit.*, Waterman, "'Social Justice', Economics and the Problem of Evil," pp. 1-11
- 138 See chapter 6, section 1.6.
- 139 See chapter 6, section 1.4.
- 140 See chapter 6, section 1.2
- 141 See chapter 6, section 1.72
- 142 This is the argument set forth by McClosky. See McClosky, Donald N., *The Rhetoric Of Economics*. Madison: The University of Wisconsin Press, 1985.
- 143 This is the argument set forth in chapter seven, section 1.7.
- 144 See chapter 6, section 2.
- 145 See chapter 6, sections 1.3.6 and 1.3.7.
- 146 See chapter 6, sections 1.3.2 - 1.3.4 and chapter 7, section, 2, 3, and 6; For a further discussion on the role of American exceptionalism on 19th century American economic thought see Ross, Dorothy, *The Origins of American Social Science*, Cambridge: Cambridge University Press, 1991.
- 147 See chapter 6, 1.5.1-1.5.6.
- 148 The argument here is similar to that advanced by Kuhn in *The Structure of Scientific Revolution*.