

# Josiah Charles Stamp on Christianity and Economics

*"The combination of theoretical economist, technical statistician, ex-civil servant, railway chairman, director of the Bank of England, and economic advisor to the government, in one person is unique in our time, and indeed it is difficult to name any comparable figure in an earlier generation."*<sup>1</sup>

*"As a Civil Servant, as a business administrator, as a Government advisor and negotiator, as a writer on economic problems, he had so many achievements of distinction to his credit that adequate note of him in any one field crowds out reference to any other field . . . His energy was incredible and his output superhuman."*<sup>2</sup>

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As most of us struggle to have some small impact in our single chosen field, it is humbling to read about a man whose accomplishments in several fields were worthy of such lavish praise. Yet these brief quotations only begin to describe the achievements of Josiah Charles Stamp<sup>3</sup> (1880-1941) whose career was tragically cut short in 1941 when he and members of his family were killed in a German bombing raid.

Those who knew him found his personal qualities as impressive as his professional accomplishments. Hubert Douglas Henderson's comments in the *Economic Journal* are representative: ". . . in reviewing Stamp's life the mind returns from the bewildering record of his activities to his qualities of personality—to his modesty, his kindness, his ready sympathy, his infectious good-humour. He was the happiest of men, with a singularly happy domestic life, and his happiness radiated out upon all with whom he came in contact."<sup>4</sup> Absent from this description of Stamp's personal life is any mention of his Christian faith, which to him was "the heart of life."<sup>5</sup> And so it was that Stamp devoted himself, in the latter stages of his career, to the relationship between Christianity and economics.

In three books<sup>6</sup> written between 1926 and 1938, Stamp took up questions which are still debated in the pages of this *Bulletin* and elsewhere. How should Christian economists use the Bible? Is a theologian or social ethicist, with little or no training in economics, qualified to speak on matters of economic policy? Is it possible to design a feasible economic system based upon the New Testament

ethic? Does the Bible endorse any particular economic system? I will return to these questions after a brief overview of Stamp's life and career.

Stamp began his career in the British civil service where he was to spend 23 years, working mostly on the development of tax policy. He later became a high level corporate manager, serving as director of a large chemical company and as Chairman of the Board of a large British railway. Towards the end of his career Stamp served the British government as an economic policy advisor.

His work as an economist<sup>7</sup> focused mainly on tax policy. Though this work was highly regarded, he never gained the reputation as an economist that he might have, had he devoted himself exclusively to that end. His publications in economics were applied rather than theoretical, demonstrating his ability to use advanced statistical techniques. He was also known as a "popularizer" of economics. Stamp lectured widely and had an unusual ability to bring complex economic ideas clearly to the public.

As to his Christian upbringing, Stamp was raised in a devout Christian family, described by his biographer as "a sort of Baptist monastery."<sup>8</sup> Though raised a Baptist, Stamp himself developed no strong denominational ties; he later became a Methodist for aesthetic rather than doctrinal reasons. His theological position was broadly orthodox, though, based upon his published works, difficult to classify. Some have described him as a "Puritan" based upon his personal piety and emphasis on individual conversion.<sup>9</sup>

Stamp's efforts at bringing together his faith with the discipline of economics can best be described as foundational, in the sense that he dealt primarily with issues of how the two might best be combined rather than with the actual application of Christian principles to particular economic problems. He did, however, address certain broad issues of his day (e.g. the possibility of replacing monetary with

non-monetary incentives) in the context of responding to what he considered to be misguided claims by both economists and theologians. Economists, he argued, were guilty of treating descriptions and analysis of what is, as if these were also statements of what must always be. This led him to explore the extent to which human beings were capable of behaving in ways that seemed contrary to their material self-interest.

Stamp criticized preachers, theologians, and ethicists for making confident assertions on economic affairs without making an effort to acquire even the most elementary economic knowledge. Yet Stamp's complaints against these religious spokesmen was not limited to their apparent ignorance of economics, but included as well their (mis)use of Scripture and their naive assumptions about human nature. As noted already, these are issues which still concern Christian economists, theologians, and ethicists.

### Use of the Bible

It is important at the outset to set forth Stamp's views on the proper use of Scripture, for it is here that we can begin to understand how he viewed the proper relation between Christianity and economics. And even if we reject his approach to Scripture (and I suspect that many will do just that) we can, nonetheless, be reminded afresh how important these assumptions on Scripture become in shaping and molding our subsequent analysis.

The most striking fact about Stamp's use of Scripture is his exclusive reliance on NT texts. This exclusive NT focus is undertaken without justification or even a mention. He nowhere offers even a cursory justification for overlooking the OT material. Apparently this material was, to him, so obviously irrelevant, or at least superseded by the NT, that no such justification was necessary.

Three general principles guided his approach to the Biblical (NT) material. First, in seeking guidance on a particular

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issue, he stressed the importance of considering all potentially relevant Biblical texts before reaching any conclusions. He warned against the use of selected texts to support a predetermined point of view, and was particularly critical of the many Christian writers who practiced this sort of naive proof-texting. His own attempt to avoid this pitfall led him to comment briefly on every NT text with any possible relevance to economics.<sup>10</sup>

Second, he warned against "Scriptural literalism" which focused on the letter rather than the spirit of Scriptural teaching. Stamp believed that hitherto, "The attempt to derive direct guidance in economic affairs from the letter of Scripture have generally failed."<sup>11</sup> Yet he did believe that there was an "inner spirit to Christ's teaching" and that this spirit could be "logically developed as a guide to human relations."<sup>12</sup> Indeed historically, "The letter has been constantly defeated, over-ruled, by logical extensions of its spirit."<sup>13</sup> Past mistakes should "make us [Christians] very humble, and ... make us examine our postulates and assumptions most carefully."<sup>14</sup> Stated simply, his approach was to first determine the "spirit" of Biblical teaching, and then develop logically the implications of this "spirit."

Third, Stamp argued that any application of Jesus' message in our own day must begin with the way in which Jesus meant his words to be understood in his own time. Careful attention to this intermediate step could prevent serious misapplications of the text since in his view any modern application must not be inconsistent with the understanding that Jesus' hearers were supposed to assume.

#### The NT Message

Stamp thought it just as important to state clearly what the NT did not teach, as it was to set forth what it actually did teach. About this he was absolutely clear:

*"there is no absolute Christian scheme for society"* (emphasis his).<sup>15</sup>

"[Jesus] did not outline an ideal social system for His own day; still less did he prescribe one for that day, and even less for today . . ."<sup>16</sup>

"The Christian Scripture does not present or favour any particular form of economic or political society, or any plan of economic life."<sup>17</sup>

What, then, is the NT message? First and foremost, it is a "spiritual" message. Jesus' immediate concern was not social reform but changing human hearts. Failure to follow consistently the third general principle outlined above has led to misinterpretation of many of Jesus' words.

By way of an example, Stamp cites Jesus' statement that he had come to preach good news to the poor, etc. This was a popular text for the Christian socialists of Stamp's day and is still popular today among liberation theologians. They argue that the poor that Jesus addresses are the physically poor and that in following Jesus today our task is that of feeding the hungry, overthrowing oppressors, and radically reforming the economic order.

Stamp was not opposed, in principle, to doing any of these things. What he opposed was their justification based upon an improper reading and interpretation of the Biblical text. We can gain insight into his reasoned approach to Scripture by quoting him at length in support of his "spiritual interpretation" of this passage.

If it was a spiritual message, they [the poor of his time] had it, and could realize it, and many did so. If it was an economic promise, they never actually got it. The good tidings were not really delivered—they were a fraud. But could they have been implemented, in fact? Even if the rich had given up not

merely their surplus, but had gone economically (not spiritually) empty away—a rather unfair proceeding, and creating a new set of poor—would the resultant change in the condition of the poor have been such as to constitute ‘good tidings?’ If there is one thing quite certain about the economic condition of Palestine it is that the total wealth was such that an equal division would have left everyone still poor, judged even by their standards, and the poor were numerous enough, and the rich few enough, for the difference in standard on redistribution to have been almost imperceptible.”<sup>18</sup>

If there is no Christian plan for society, and Jesus’ message was primarily spiritual, is it then the case that the Christian Gospel has no implications for our economic life? No, says Stamp; for the primary Christian task, which is to make, “a community of real Christians,” will most certainly affect our economic behavior. But such behavioral changes will come about through our “conversion” and the voluntary adoption of Christian principles, such as treating all persons as brothers and sisters, and loving others as we love ourselves.

Quite simply, Stamp promoted the “love ethic” as the standard for Christian behavior. Christianity, he argued, could never be reduced to a set of rules, since it assumes, indeed requires, not specific behaviors undertaken out of compulsion, but an attitude of love and self-sacrifice. These “higher” standards can’t be made a matter of law. Says Stamp: “The extension of Christian principles must work through the regeneration of the individual soul. You cannot pass a law that a man must love his neighbor as himself, for to legislate him into compulsory action that simulates that of a brother while there is hatred or even indifference in his heart, is not only not Christianity, but the very pharisaical inversion of it.”<sup>19</sup>

This point—often ignored by Christian economists today—is worth emphasizing. A “Christian society” is not one where there is full employment, the poor are cared for, and where justice is maintained by an impartial judicial system, as right and good as these things are. A “Christian society” is, rather, a society of Christians, which means a society of persons committed to Christ, who love one another as Christ loves them. Such love is of necessity voluntary, and flows from a converted heart; it can’t be mandated, “by an act of parliament.”

If this is the case then social change which is worthy of the label “Christian” must begin with the individual, not with “structural change.” Stamp recognized (correctly, I believe) that “conversion” is an on-going process, and that a person’s behavior and motives for acting are not changed overnight. Character formation is a slow, arduous process. Thus, those who are seeking a rapid change to a Christian society are bound to be disappointed. Anticipating certain objections, he wrote: “Many of you think that to assign as the greatest work of the Christian ethic the slow process of individual character building, by precept, prayer, and practice, is timid and even prosaic.”<sup>20</sup> This it may be, but to Stamp it was none other than the way of the Gospel.

### Human Motive

Stamp’s belief that people could not be forced, via legislation, to follow the Christian ethic, led him to a study of human motive, or what we economists call incentives. He was quite critical of theologians or preachers who were quick to set forth some “ideal” or utopian scheme of society, without regard to the sort of human character necessary for its success: “Those who envisage a truly Christian order assume that existing economic incentives can be replaced entirely, insofar as they are hedonic, by altruistic and public service ideals.”<sup>21</sup> The focus of his complaints were various socialist or

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communist schemes in which people were supposed to work for the common good, rather than for financial reward.

He did not oppose all forms of utopian thinking; indeed, he saw value in imagining an ideal society which might serve as a very long term goal. But such an "ideal" conception should include a consideration of whether it could be achieved, given human character as it is, or whether it would require some fundamental change in human motive. Yet unfortunately, says Stamp, "too commonly we do not trace out what is objectively possible to a given state of character; we adopt the objective society and assume the necessary character."<sup>22</sup> Once again, Stamp did not condemn all utopian thinking, but only that which failed to take seriously the problem of incentives. "The pulpit may be idealistic, and ought to be, but it should not stir social discontent by holding up as actually attainable today something beyond general conduct. . ."<sup>23</sup>

Stamp's own view was that, given the current moral state of most people, financial incentives were necessary: "The pulpit will gain nothing by urging systems which are based—or valid only—on a theory of non-financial incentives for the mass of workers in this age."<sup>24</sup> Yet he recognized that even now many people are motivated by non-financial considerations, such as the desire to perform public service. On the basis of this he believed that a broad-based movement towards non-financial incentives might be possible, though it would take many generations to achieve.<sup>25</sup> Widespread conversion would, of course, affect the speed and scope of this change (see below).

Stamp also recognized that what is possible for the individual may not be possible for society. An individual may choose to "go the extra mile" or give, expecting nothing in return. But an economy cannot be organized around these principles, without widespread, voluntary acceptance (which is not presently the case). We have already noted his

objections to attempts to legislate such behavior, but the point deserves further emphasis:

Everyone can introduce Christian ethics into his personal relations with others, but it is another thing to prescribe a system by which others must live, which shall 'work' society. . . you, personally, can elect to walk an extra mile without calling for economic reward; you can elect to sacrifice spending—save and provide capital for others for less than the return that present economic principles would demand or yield. . . . But you cannot frame on these principles a system on which others can be forced to act, or which will not be brought to the ground by a minority who are not ready to carry it out on these principles.<sup>26</sup>

Much of Stamp's reflection on "human motive" was carried out on the assumption that individuals were not converted to Christianity. He was also interested in the effect that conversion and adoption of the Christian ethic would have on the economy. In particular, he questioned the apparently widespread belief among preachers and theologians that a general adoption of the Christian ethic would lead to higher production and generally improve the performance of the economy. Indeed, it was a desire to correct these widespread misconceptions that led him to write his first book on Christianity and economics, *The Christian Ethic as an Economic Factor*. The ideas set forth in this book were repeated many times in his subsequent work.

Stamp discussed at length the many ways in which the Christian ethic might serve as an "economic factor" and thereby affect the level of production. He concluded that it was unlikely to increase output, and might even cause output to fall. "There is *possibly*," he says, "an

economic price to be paid for substituting ethical principles in ordinary life for existing economic principles. Are we," he asks, "prepared to pay it?"<sup>27</sup>

### Economics and Ethics

In the course of Stamp's criticisms of theologians and preachers who pronounced on economic matters, he dealt with questions still debated by Christian scholars: Is there a clear demarcation between economics and ethics? Are economists, alone, competent to speak on matters of economic policy?

Regarding the separation of economics and ethics, he accepted the normative-positive distinction, insofar as economic science was devoted to making statements about what does, in fact, exist. Economic science describes, but does not prescribe. But this was not the end of the matter.

Stamp believed that the "laws" of economics were not necessarily given for all time. He criticized economists for attaching, at least by implication, a certain inevitability to their statements. Economists said, in effect: Not only is this the way things are, but this is the way they must always be. According to Stamp, the critics of economics were correct to attack this idea of inevitability, but wrong to attack "the right of the economists to make a reasoned examination and statement of what actually is, instead of an idealistic statement of what ought to be."<sup>28</sup> To Stamp, "what is" always carried the implicit assumption that human motives were a given. But as we've seen, Stamp wanted to press further, and explore the degree to which it was possible to change these motives.

On the matter of who was competent to speak on economic issues, Stamp did not oppose, in principle, all statements by preachers and theologians. What he opposed was any statement made without the support of a thorough, reasoned analysis. He thus complained that most works on applied Christian ethics were by theologians, "who are highly expert in all

aspects of religious doctrine and ethics, but have undergone a less severe discipline in economic thought . . ." <sup>29</sup> Their work was characterized by, "an excess of sentiment and deficiency of rigorous analysis." <sup>30</sup> Stamp knew firsthand the complexity of the discipline of economics; he also knew, as an applied economist and policymaker, that there were no easy, costless solutions to economic problems. He recognized, as well, that any attempt to wed the disciplines of economics and theology would magnify this complexity.

It was this recognition which caused him to state:

I have sometimes shuddered at the glib ease with which public judgments are uttered, and people's minds led to believe problems are easy and subject only to goodwill, when any declaration on questions of far less complexity and technicality in physics, engineering, or chemistry, would leave the speaker humble before his own ignorance. So my real aim is to make the study of the application of Christian principles not easier, but harder, for it must be hard if properly done. <sup>31</sup>

But then, he asks: "Whose task is it to mix them; to combine?" He answers:

Certainly not anyone who, however skilled in one, is ignorant of the other. Surely, if the economist does not like the task or feel apt for it, he cannot complain if the parson essays it and, with the best of intentions and no discipline, reaches conclusions which do injustice to economics. It is a combined study of peculiar balance and interpretation . . . <sup>32</sup>

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avoid "wishful thinking." In a sense, Christians must earn the right to make pronouncements:

To write or speak vaguely, warmly, and categorically on social reform is not enough; social reform must come last in the economics curriculum. After full mastery of the theory of value, the nature of prices and rent, and all the horrid jargon of currency, margins, indifference curves, and coefficients of correlation, shall the student win his right to the lush pastures of emotion, indignation, and pontification.<sup>33</sup>

At stake here was more than just the protection of one's professional turf. Stamp was concerned about the consequences of naive, unrealistic statements by the Church or its theologians and preachers. He described the effects of such statements as "positively vicious." They brought "ridicule on the Church and belittle its power to get its Spiritual message delivered to the world."<sup>34</sup> They produce "a mental indolence" and "dope men's minds till they cannot see what action is really necessary, still less rise to action."<sup>35</sup> They cause "a deadly discouragement to all who are engaged in working hard to solve problems, with all their moral and mental resources."<sup>36</sup>

#### A Brief Assessment

Since much of Stamp's writings were in response to his contemporaries, we might well ask whether his work has any lasting significance. Put another way, should the Christian economist of the 1990's devote his or her scarce time to reading the works of Josiah Stamp? The answer depends on "where we are at," to use a colloquial phrase, with regard to the linking of our faith with our discipline.

If we are looking for advice on how to structure a "Christian" economic system; or for the Christian solution to air pollution; or for the foundations of a distinctively Christian approach to economic

analysis; then, the work of Josiah Stamp will be of no help. If, on the other hand, you believe (as I do) that any Christian "solution" must begin with individual conversion and the formation of a society of those who are committed to living the Christian ethic—or are willing to be so convinced—then Stamp may be worth your attention.<sup>37</sup>

Even here I suspect that Stamp's work will raise more questions than it will answer. Though he often points us in the right direction—as in, for example, his concern for human motive, his conclusions are rarely satisfying. Alas, one is sometimes left to conclude that Stamp's own rigorous standards for economic analysis were relaxed in his more theological writings. This we can understand, if not excuse, as the product of Stamp's wide-ranging commitments and responsibilities.

Perhaps, however, Stamp's greatest legacy to the Christian community is not to be found in his writings, but in the role model he provides for those who would bear witness to the Gospel in their professional lives, in deed as well as in word. And we who make up this community might be well advised to consider why the church of our day seems incapable of producing a person of such stature, whose character is so unimpeachable. Contemplation of this question could serve as a profitable diversion from our scholarly tasks. ■

<sup>1</sup> Arthur Lyon Bowley, "Lord Stamp," *Journal of the Royal Statistical Society* 104 (1941), 193.

<sup>2</sup> William Beveridge, "The Right Hon. Lord Stamp, G.C.B., B.B.E., F.B.A.," *Nature* 147 (1941), 567.

<sup>3</sup> Stamp was raised to the peerage in 1938 and thus is rightly titled Lord Stamp.

<sup>4</sup> Hubert Douglas Henderson, "Josiah Charles Stamp, Baron Stamp of Shortlands," *Economic Journal* 51 (1941), 346.

<sup>5</sup> James Harry Jones, *Josiah Stamp, Public Servant: The Life of the First Baron Stamp of Shortlands* (New York and London: Sir Isaac Pitman & Sons, 1964), 53.

<sup>6</sup> *The Christian Ethic as an Economic Factor* (Freeport, NY: Books for Libraries Press, 1969; first published 1926); *Christianity and Economics* (NY: The Macmillan Company, 1938); *Motive and Method in a Christian Order* (London: The Epworth Press, 1936).

<sup>7</sup> Stamp received his formal training in economics at the London School of Economics.

<sup>8</sup> James Harry Jones, *Josiah Stamp*, 53.

<sup>9</sup> Stamp was a "strict Sabbatarian," a teetotaler, and gave away a large share of his income. See Jones, *Josiah Stamp*. D. L. Munby dismisses Stamp's work on Christianity and economics because of this Puritan-individualist emphasis. See endnote 37 below. Jones, however, assesses more positively this "Puritanism": "His religious observances were no mere formalities, but essential to his whole being. This is perhaps the real meaning of the statements that were made about him that he was a Puritan. The discipline of his Puritanism was self-discipline, not a form of intolerance with which it is so often confused. It was Puritanism at its best — not its worst." (257)

<sup>10</sup> *Motive and Method*, Appendix I, "The Economic Canon of the New Testament."

<sup>11</sup> *Christianity and Economics*, 72.

<sup>12</sup> *Christianity and Economics*, 56.

<sup>13</sup> *Christianity and Economics*, 69.

<sup>14</sup> *Motive and Method*, p. 39.

<sup>15</sup> *Christianity and Economics*, 181.

<sup>16</sup> *Christianity and Economics*, 28.

<sup>17</sup> *Christianity and Economics*, 72.

<sup>18</sup> *Motive and Method*, 132.

<sup>19</sup> *Christianity and Economics*, 73.

<sup>20</sup> *Christianity and Economics*, 85.

<sup>21</sup> *Motive and Method*, 49.

<sup>22</sup> *Motive and Method*, 194.

<sup>23</sup> *Motive and Method*, 42.

<sup>24</sup> *Motive and Method*, 171.

<sup>25</sup> "It must take many, many generations . . . to raise the standard of motivation, for the multitude of workers, to any common higher plane of service regardless of comparative personal reward." *Motive and Method*, 170.

<sup>26</sup> *Christian Ethic*, 56.

<sup>27</sup> *Christian Ethic*, 16.

<sup>28</sup> *Christian Ethic*, 24.

<sup>29</sup> *Motive and Method*, 9.

<sup>30</sup> *Motive and Method*, 13.

<sup>31</sup> *Motive and Method*, 17, 18.

<sup>32</sup> *Christianity and Economics*, 165.

<sup>33</sup> *Motive and Method*, 199.

<sup>34</sup> *Christianity and Economics*, 167.

<sup>35</sup> *Christian Ethic*, 18.

<sup>36</sup> *Christian Ethic*, 20.

<sup>37</sup> D.L. Munby, in *God and the Rich Society* (London: Oxford University Press, 1961), describes Stamp's books on Christianity and economics as "exaggeratedly concerned with personal motivation." He writes: "It is perhaps not surprising that [these books] have not been more seriously considered by Christian writers, in view of their rather out-of-date Puritan/Victorian individualism, and their narrow conception of the Christian faith." (159)