Revolution, Economics and Religion: Christian Political Economy 1798-1833
by A.M.C. Waterman

A M.C. Waterman's Revolution, Economics and Religion is one of those books which exemplifies the eye for detail and depth of inquiry to which all scholars aspire. In the process of defending 19th Centural Christian Political Economy, he weaves an intricate historical tapestry of personalities, library collections, correspondence and institutional rivalries. Most significantly, he brings to the forefront significant insights into the interaction between the development of economic theory, theology and political philosophy at the onset of the 19th century. Waterman was undoubtedly motivated to write on this area by a sense that many of the methodological issues which confronted the participants of the ideological debates of this earlier period seem to reappear in a different form or guise in the contemporary scene.

Having opened with such glowing phrases, I am somewhat disappointed by the book because I perceive it to be a work that will elicit an extremely limited readership even among those attracted by Waterman’s thesis and conclusions. I attribute this both to the historical nature of the inquiry and to its intermingling of theology and political economy. For those who remain undaunted by this caveat, the book offers useful and provocative insights.

While most authors hide behind a flimsy screen of implicitly asserted disinterested objective analysis, Waterman’s introductory chapter begins with a welcome admission of the polemical nature of his work. The avowed purpose of the book is to repudiate the ‘popular view,’ promulgated by R.H. Tawney and others, that ‘Christian Social Thought’—or ‘Christian Social Teaching’...was more or less moribund from the Reformation until the emergence of ‘Christian Socialism.’ “Several corollary arguments then evolve out of this objective. The perception that Christian scholars had lost their critical edge implies that the only truly Christian perspective is one that repudiates the essential features of the market system. To counter this, Waterman attempts to elucidate the emergence
of a school of ‘Christian Political Economy’ (CPE), which he defines as the successful fusion of an ‘orthodox’ Anglican theological perspective with free market advocacy in normative social theory (p. 11). One of the most crucial, yet controversial, of his arguments is the criteria he uses for attributing ‘polemical success’ to CPE.

Success for CPE, according to Waterman, was ultimately achieved by Richard Whately’s ability to establish, “...a defendable demarcation...between ‘scientific’ and theological knowledge, thereby insulating each from illegitimate encroachment by the other” (pp. 10-11). The implied compartmentalization of knowledge is something, however, which many modern Christian scholars would find to be an anathema. The acceptance of such a demarcation is sometimes interpreted as an implicit admission of the inferior nature of theological knowledge. Others, moreover, would see this as a tacit admission that Christianity had in fact lost contact with the normative economic issues of the period. Waterman’s second criterion for polemical success seems to be the acceptance of a given position by the established academic and theological authorities. In order to support his argument Waterman develops what he perceives to be a historical and logical confluence between conservative theology and conservative political economy.

Waterman identifies the opening salvo in the liberal versus conservative war with the publication of Robert Malthus’s Essay on the Principles of Population in 1798. Malthus’s paradigm, as it is commonly perceived, was originally designed as a negative polemic, i.e. an attack upon the Jacobin ideas of William Godwin. In particular, it attacked the concept of the perfectibility of mankind, and the idea that property was in some sense the source of all moral and social evil. Furthermore, it was later recognized by Thomas Chalmers to have sufficiently altered the analytical apparatus of Adam Smith as to refute the idea of economic progress. There also exists, according to the Waterman, however, a positive polemical dimension in Malthus’s work, i.e. an attempt to show that, “human institutions’ especially private property in land, do indeed mitigate the most distressing effects of the ‘laws of nature’.” The net effect of this proposition is the classical economic paradigm which conceives of human society as “a system in stable (and stationary) equilibrium” (p. 36).

While Malthus’s population theory was framed in a positive, objective methodological framework which succeeded in putting the liberals on the defense, there remained a normative dimension to the problem which Malthus seemed to have handled less adequately. In Chapter 3, Waterman explores the issue of “theodicy,” i.e. “the occurrence of ‘evil’ in a universe which is assumed to have meaning and/or purpose” (p. 62).

While many of his contemporaries fell back on Scripture when attempting to deal with the problem of evil, Malthus pushed forward with natural theology. Drawing upon the work of Abraham Tucker, Malthus observed that “…the world and this life are the mighty process of God...for the creation and formation of mind, a process necessary, to awaken inert, chaotic matter and spirit.” From this he deduces the necessity of scarcity to arouse mankind into action and to form their minds and morals. While Malthus weaves together an internally consistent argument, he is led, according to Waterman, into a non-solution to 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’” (p. 109). The task of supplying an adequate ‘theodicy’ for Malthus’s theory of political economy thus remained open.

Waterman notes that as economic and
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political conditions changed, the negative polemical aspect of Malthus's work became less relevant. The task which remained was to resist the most gloomy aspects of Malthus's theory while still asserting the 'self-correcting' function of nature. At the same time there was a sensed need to 'ameliorate' "...the real imperfections of...existing institutions" (p. 114). Prompted by numerous critics as well as the work of some of his converts such as William Paley and Dugald Stewart, later editions of the Essay began to confront the above issues. Paley was one of Malthus's earliest converts and he took up the task of supplying an adequate 'theodicy.' Waterman conjectures that he was perhaps responsible for Malthus's later deletion from the Essay of some of his theological discussion.

Paley's Natural Theology, published in 1802, reflected, according to Waterman, some of the perspectives of the Cambridge moderates of the period. Their desire was to avoid some of the 'false biblicism' which they associated with the Calvinists and Romanists whom they accused of trying to extract more than could be justified from the scripture, while also avoiding the other extreme which ignored divine revelation and tended to produce either the skepticism of Hume or theological nonsense (p. 127). Malthus's theology seems to have fallen in the very latter category. Paley's more 'orthodox' theodicy, in contrast, viewed life "as a state of probation and trial for eternity" (p. 120).

While Paley's theology seemed to have been more acceptable than that of Malthus, his political economy appeared to have failed to relieve the gloomy prognosis for society inherent in Malthus's population theory. This is the task to which Malthus and younger emerging scholars turned their hand.

In the first edition of his Essay, Malthus had noted the presence of moral restraint in postponing marriage as one of the 'positive' or 'preventive' checks on popula-

lation, but one which, "almost necessarily, though not absolutely so, produces vice," e.g. prostitution. Waterman notes that in the 1803 edition of his Essay, Malthus modified his presentation of these checks in a manner that separated moral restraint from any necessary association with 'vice' and 'misery.' The 'prudential postpone-
ment of marriage' might be conceived as "a function of some socially-determined target of real income that might far exceed the biological minimum required for 'subsistence'" (pp. 136-7). Granting such a change in one of the parameters of the system, social progress becomes an analytical possibility.

While Godwin had earlier suggested this possibility, Malthus had rejected the likelihood in order to maintain his negative polemic. Here, however, he accepts the 'possibility' of such an improvement but turns it into a positive polemic for property. The gist of Malthus's argument is that individuals will have an incentive to postpone marriage and thus receive higher wages provided there are markets for labor and savings. While in one sense Malthus had thus lost the battle with Godwin regarding the progress of mankind, he had done so by means of the anti-fice of private property which Godwin had described as the source of evil. Moreover, he had accomplished this in a way which dealt with the theodicy issue along the more acceptable line suggested by Paley. The 'perfect-
ibility' of mankind was dealt with in a more 'qualified sense' which nevertheless refuted the 'growth-of-mind' theory. Whatever 'incidental' evils arise in the progress unleashed by the market process, these end up pointing us toward moral restraint "as confirmed and sanctioned by revelation," so that divine revelation once again serves a useful purpose (pp. 144-5). While the argument seems settled at this point there remained the task of erecting the superstructure on Malthus's foundation:

The doctrine that inequality is both inevitable and beneficent would be
greatly amplified, the futility of legislation to achieve economic goals explained, and the validity and
time of private charity reinforced. The Smithian idea of an
'invisible hand'...would be made explicit and given theological signifi-
cance (p. 150).

One of the first among many writers to attack these objectives was John Bird
Sumner. Waterman notes that his Treatise on the Records of Creation (1816) was
 greeted with 'a chorus of approval' as an
able exposition of the whole system. Its
strength, he observes, comes not from
Sumner's originality but rather in his
ability to integrate all the components of
the argument. The various components of
the population theory are shown to lead to
inequality, which in turn fosters civiliza-
tion by the "Malthusian 'stick' of dis-
ncentives to idleness, and the Smith-Paley
'carrot' of incentives to industry." Civiliza-
tion encourages the development of the
mind and various virtues, the division of
labor, and progress. All of this "exempli-
fies the divine wisdom" and design, while
accommodating the doctrine of a proba-
tionary state (p. 165).

Following upon the heels of Sumner,
Edward Copleston offered what seem to
be major insights into the difference
between comparative static equilibrium
analysis and market dynamics. In particu-
lar, he noted that in the short run, while
society was moving from one optimum
position to another, there could be sub-
stantial adjustment costs, most of which
would tend to be borne by the lowest
classes. These disequilibria were generally
perceived to be the result of external
forces, and often prompted society to
respond with remedial action such as the
Poor Laws. In examining empirical
evidence concerning the impact of the
Poor Laws upon poverty levels, Copleston
concludes that poverty of the type the Poor
Laws were intended to remedy, i.e. life at a
biological subsistence level, must be
attributed to population pressure rather
than the laws themselves. Analytically, the
Poor Laws only cause poverty relative to
the socially-determined subsistence wage
by creating friction in the market. The
problem as he perceives it is not removal
of the Poor Laws but rather rational
reformation.

The final pieces in the puzzle are, as
noted at the beginning of this review,
found in the writings of Richard Whately.
Beyond the major task of delineating the
scientific from the theological, Whately
also strengthened the theology of Paley by
asserting the presence of a 'moral sense.'
Waterman appropriately illustrates
completion of the puzzle with the present-
tation on page 201 of a rather convoluted
Venn diagram representing the inter-
mingled ideological streams of the 1820's.
This diagram illustrates ironically both the
strengths and weaknesses of Waterman's
polemical efforts.

If the particular intersecting segments
Waterman has chosen as representing CPE
reflect one's own theological and economic
persuasions, the case appears solid. The
argument is even more convincing if one
perceives of science as progressing in a
linear fashion, winnowing out the weak
and leading to one uniquely true para-
digm. Waterman has followed the threads
connecting these writers in a way that
leads us inexorably down the path he has
chosen in order to prove the veracity of
CPE. If, on the other hand, one chooses
different threads to follow, or perceives
other possible intersections which could
conceivably reflect another uniquely
Christian perspective, you will remain
unconvinced in spite of all Waterman's
masterful scholarly efforts. It may thus be
fitting that Waterman closes his efforts
with a discussion of Thomas Chalmers,
whose polemical works, according to
Waterman's analysis, seem to be the least
convincing of all the writers who contrib-
uted to the development of early 19th
century Christian Political Economy.