Theology and the Rise of Political Economy in Britain in the Eighteenth and Nineteenth Centuries

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In the eighteenth century, and for much of the nineteenth, Britain was a Christian society. In such a society ideas are inevitably conceived within a theological matrix; and to be generally acceptable they must be consonant—or at any rate not obviously at variance—with prevailing theological orthodoxy. In eighteenth-century England and Scotland there is hardly a trace of any dissonance between economic thought and Christian theology. But at the very end of that century there appeared T. R. Malthus’s anonymous Essay on the Principle of Population (1798) which almost immediately created a conflict between theology and what was becoming known as ‘political economy,’ a conflict which in some respects has continued to the present (Brennan and Waterman 2008). What follows, therefore, is in three parts. First, a survey of the characteristics—some of them uniquely British—of that Christian society which provided the intellectual context of economic thought in those centuries; secondly, an account of the relation between economic thought and theology in the eighteenth century; and thirdly, the story of what happened after Malthus.

1. The Intellectual Context of Economic Thought: Britain, 1700-1860

(a) The Reformation Background
Every European kingdom and principality was a Christian society in the eighteenth century, as was the Swiss Confederacy. But the after-effects of the Protestant Reformation, the Counter-Reformation and the Thirty Years War created significant interregional differences in intellectual culture. In general, those countries in which the national church remained in communion with Rome were relatively inhospitable to new political and economic ideas, often associated rightly or wrongly with their protestant or otherwise unorthodox minorities. In France, protestant Huguenots were persecuted from 1685 to 1787; the heterodox Jansenists were finally suppressed in 1713. The Holy Inquisition lasted in Spain until 1834 and in Portugal until 1821. The Index Librorum Prohibitorum which survived until 1966, prohibited the publication in Romanist countries, and forbade the faithful to read in all countries, books judged to be dangerous to faith and morals. Hobbes, Locke, Berkeley, Mandeville, Beccaria, Hume, Bentham,
and J. S. Mill, each of whom contributed significantly to political and economic ideas in the period, were banned.

The Protestant Reformation, at its outset, was even more hostile to intellectual and political freedom than the Popery it supplanted. Like many a present-day movement of ‘national liberation’ it replaced a foreign oppressor with power-hungry, domestic oppressors even less benign and liberal than the old imperial power. Zealous reformers were fiercely intolerant of doctrinal and political dissent. The Spanish humanist Servetus, condemned to death by the French Inquisition and a refugee in Zurich, was prosecuted for heresy by Calvin and burned at the stake by Swiss Protestants. Luther joined in condemning Servetus. Some decades before, he had advised the German princes that their revolting peasants should be ‘beaten to death like mad dogs.’ In 1612, forty-two years after the final separation of the Church of England from the papacy, the radical Anabaptist Edward Wightman was burned at the stake by Anglicans. However, things were soon to change in England, and also to some extent in other Protestant countries.

What eventually made Protestant culture more tolerant than Romanist was the political need to contain the bitter mutual enmity of competing Protestant sects. On the principle of *cujus regio, ejus religio*, all Christians were expected to conform to their national church. But in practice this proved impossible to enforce, especially in England where Calvinistic ‘puritans’ had never accepted the conservative, quasi-Catholic character of the Anglican Reformation; and where large numbers of clandestine Romanists (‘recusants’) were allowed to exist at the cost of civil disabilities and sporadically enforced fiscal penalties.

Puritans had no desire to separate from the national church: they sought to hijack it. To a considerable extent the Great Rebellion (1642-1660) was a struggle for control of the church. Even before the final defeat of the loyalists in 1645 the Westminster Assembly of divines had convened, and in 1646 it produced the Westminster Confession, a standard of Presbyterian doctrine to this day. Episcopacy had been abolished, the *Book of Common Prayer* suppressed, and a Presbyterian polity imposed on the Church of England. Once in power however, the anti-Anglican movement quickly disintegrated into warring fragments: Cromwell and most of his army were not Presbyterian but Independent (i.e. Congregationalist); and many others became Anabaptists, Quakers, Muggletonians, Ranters or Fifth Monarchy Men.

At the Restoration of crown and episcopate in 1660 it soon became clear that there could be no compromise that would keep the various puritan sects in the church. All clerics were therefore required to conform by 24 August 1662: to have or accept episcopal ordination, and to use the *Book of Common Prayer*. Some 1,700 puritan ministers either resigned their benefices or were ejected. They and the congregations they gathered became known as ‘Nonconformists’ or ‘Dissenters,’ and were allowed (qualified) freedom of worship but denied access to university education and public office. Meanwhile the recusants, usually regarded as potential traitors during the reigns of Elizabeth I and James I, had rallied to the support of the monarchy during the Great Rebellion. Therefore in 1672 Charles II sought to suspend the penal laws against both Dissent and Popery: in effect to grant complete freedom of religion. But Parliament was unwilling to go that far and passed the Test Act (1673) which excluded from public life all who would not conform to the Anglican Church. This together with subsequent events
during and after the Glorious Revolution of 1688 established a *modus vivendi* which was to last until the late 1820s: only Anglicans could be full members of society with all its rights and responsibilities; but Protestant Dissenters, Jews, and even Romanists (provided they did not conspire with a foreign power to overthrow the crown) could usually practice their religion unmolested.

Scotland differed from England in that its post-Reformation national church was initially Presbyterian and Calvinist. Attempts to re-impose episcopacy during the seventeenth century were only partially successful, and by 1690 the Church of Scotland was once again, and finally, Presbyterian—though Episcopalian clerics were allowed to retain their benefices. By 1711 the Scottish Episcopal Church had a lawful, separate existence. Episcopalian and Roman Catholics were chiefly found among the nobility and gentry and in certain Highland clans, and many supported the unsuccessful attempts in 1715 and 1745 to restore the Stuart monarchy.

In Ireland the national church became formally Anglican at the Reformation, but in contrast with England and Scotland, not only many of the gentry but also most of the common people refused to conform. By the eighteenth century an Anglican, Anglo-Irish ‘Ascendancy’—most of the nobility and gentry and their dependents—dominated Irish church and parliament; there were numerous Presbyterians whose position was somewhat similar to that of Protestant Dissenters in England; and a large majority of oppressed Roman Catholics, mainly peasant, subject to penal laws far more severe in their application than in England or Scotland.

By the beginning of the eighteenth century, therefore, religious monopoly in any of the three kingdoms was admitted to be unfeasible. A feeling of relief, widespread throughout Europe, that wars of religion of the previous century were a thing of the past, prepared the way for more eirenical relations between separated Christians in each country, and in particular between rival Protestant sects. Theological justification had already been supplied by Pierre Bayle’s *Philosophical Commentary* on the text ‘compel them to come in’ (1686), and by John Locke’s *A Letter Concerning Toleration* (1689).

(b) The Eighteenth Century

The theological climate in Britain was largely created by members of the three Anglican universities (Oxford, Cambridge, Trinity College Dublin) and the four Presbyterian universities (St Andrews, Glasgow, Aberdeen, Edinburgh). Roman Catholics were excluded, or excluded themselves, from the conversation. Protestant Dissenters established their own private academies after the restoration, but these were generally small, often short-lived, and exerted little influence at first.

The most powerful intellectual influence throughout the century was the work of Sir Isaac Newton. He had published *Principia* (1687) ‘with an Eye upon such Principles as might work with considering Men for the belief of a Deity’ (Newton 1756: 1). Therefore at whiggish Cambridge and the Scottish universities, where natural theology was studied as a prolegomenon to revealed theology, ordinands read the *Principia* with the help of Colin Maclaurin’s (1748) famous textbook. High-church, Tory Oxford remained Aristotelian.

Newton himself, though outwardly a conforming Fellow of Trinity College Cambridge, was a secret unitarian: or rather, as Keynes (1972: 368) put it, ‘a Judaic
monotheist of the school of Maimonides.’ This was not at all because of any rationalistic rejection of ‘superstition’ but rather because of Newton’s rigorous Protestantism. All Protestants held that doctrine necessary to salvation must be proved from Holy Scripture. But by the eighteenth century it had become clear to many diligent students of the Bible that it contains no doctrine of the Holy Trinity as defined by the ancient Councils and summarized in the Catholic creeds. The Church of England therefore was betrayed by its comprehensiveness. By simultaneously affirming both the Nicæan definition of the Trinity (Article I) and the doctrinal sovereignty of the Bible (Article IV), it placed a strain on the consciences of its clergy—and others required to assent to the XXXIX Articles—that many found intolerable. Some of John Locke’s writing (e.g. Locke 1689; 1695) was suspected by the orthodox to imply Socinianism (i.e. unitarianism) or even Deism; and his younger friends and followers—John Toland (1696), Anthony Collins (1713), Samuel Clarke (1712)—were more open in raising doubts about the Trinity. A group of the clergy petitioned parliament for relief from subscription to the Articles, and when this was finally refused in 1772 seceded from the church and became Unitarian. Because doctrinal standards were harder to enforce outside the church, many Dissenting congregations also, especially Presbyterian, had become Unitarian by the 1760s.

A small, elite group of wealthy Unitarians, of whom Joseph Priestley was the most notable, subsequently known as ‘Rational Dissenters,’ exercised some influence on educated opinion by the 1780s (Waterman 2004: chap. 3). Meanwhile a very different body of potential dissidents had formed around the Methodist movement of John Wesley and George Whitefield in the 1740s, preaching an ‘evangelical’ (and trinitarian) faith based on a non-Calvinist (‘Arminian’) version of Anglican orthodoxy. But Methodism had little or no effect on theological, political, or philosophical thought of the period.

Newton was the fountainhead of the eighteenth-century ‘Enlightenment.’

It was the ambition of eighteenth-century savants to apply to all possible fields of human inquiry the triumphant methods of Newtonian natural philosophy (Berlin 1956). In France this brought the philosophes into conflict with the church, and the French Enlightenment was generally anti-clerical and in some cases even anti-Christian. This was decidedly not the case in England however, where the Enlightenment was conservative, clerical and ‘magisterial’ (Jacob 1981; Pocock 1980; 1985). The intellectual climate was to a large extent the creation of the most powerful minds, lay and clerical, within the established church. For in England, as in other Protestant countries—Scotland, Germany, Holland and English North America—‘enlightenment’ found a home within the Christian churches’ (Gilley 1981: 104). Anglican clerics could join with a will in the Enlightenment campaign to purge Christianity of ‘enthusiasm’ and ‘superstition’ (Hume 1741). But the clergy in France was disabled, and cut off from educated laymen, because of the canonical requirement to assent to the doctrine of transubstantiation, paradigm of ‘superstition’ in the eighteenth century (Waterman 2004: chap 2).

Newton was no less important in Scotland; and a distinctly Scottish Enlightenment centred on Edinburgh engaged the intellectual energies of the ‘Moderate’ (i.e. non-Calvinist) party in the Church of Scotland. For though on his appointment to a professorial chair in 1755 Adam Smith had been required to assent to the Westminster
Confession before the Presbytery of Glasgow (Ross 1995: 109), the eighteenth century saw in Scotland as in England a long retreat from Reformation—particularly Calvinist—doctrine.

By the end of the eighteenth century—at the departure of the unitarian dissidents—there was a return to Anglican (high-church, non-Calvinist) orthodoxy in the Church of England, though tempered by broad-minded, whiggish moderation, especially at Cambridge (Waterman 2004: chap. 5). Although most secondary and all tertiary education was monopolized by the church, some Dissenting academies flourished as schools of useful learning, favoured not only by the rising, mainly Dissenting, capitalist class but even by some churchmen such as Daniel Malthus, wary of the indiscipline and immorality of the public schools at that time. A few extreme Dissenters such as William Godwin and Thomas Paine had become Deists, but outright infidelity was rare. Hume was so guarded that some now conjecture that he was a believer. Jeremy Bentham kept his incipient atheism well hidden.

(c) The Nineteenth Century

The drastic change in theological climate which occurred at the beginning of the new century is vividly illustrated in four recently discovered sermons of the Revd Robert Malthus (Pullen and Parry 2004). The first of these (19 July 1789), preached shortly after his diaconal ordination, expounds Adam Smith’s (1976 II: 793) ‘pure and rational religion.’ Its text, the golden rule of Jesus (Matt 7: 12), is meant to ‘make that principle of self love . . . the means of pointing out & prompting us to acts of honesty, humanity & justice’ (Pullen and Parry II: 4, 5). ‘Our saviour’ is mentioned twice. But the third sermon (Good Friday 1827) is a sombre and extended reflection on the sacrificial death of Christ: scriptural, liturgical, Christocentric and deeply orthodox (Pullen and Parry II:12-19). We are a world away from the facile Enlightenment certainties of David Hume and Adam Smith that the newly ordered deacon had expounded just five days after the fall of the Bastille. For during those thirty-eight years the Church of England had undergone a sea change.

The ‘higher and middling classes’ had been badly scared by the French Revolution, correctly perceived as a frontal attack upon Christianity. William Wilberforce’s Practical View of the Prevailing Religious System of Professed Christians in the Higher and Middling Classes in this Country, Contrasted with Real Christianity (1797), appearing at the crucial moment, was largely influential in converting the governing classes and many of the clergy to ‘serious’ religion—that is, to the Cambridge, Anglican (explicitly non-Calvinist) evangelicalism of Charles Simeon and the Clapham Sect. By 1812 at the latest Malthus had become ‘serious’, as had all his clerical colleagues at the East India College (Waterman 2006).

Cambridge evangelicals were often learned and always respectable, and they distanced themselves from the emotional excesses of Methodism, which by this time had separated from the church to become a quasi-Dissenting sect. But their concerns—suppression of vice, observance of the Sabbath, abolition of slavery—were more practical and political than intellectual; and though evangelicalism remained important throughout the century, the theological high ground had passed to the Oxford Movement by the 1840s. Some of that movement’s founders—John Henry Newman, Henry Manning, and
three of Wilberforce’s sons—had been evangelical, but like their high-church colleagues they began to seek theological nourishment in the ancient Fathers of the church and in the Anglo-Catholic, Laudian divines of seventeenth-century Anglicanism.

Meanwhile civil disabilities had been lifted from Protestant Dissenters in 1828 and from Roman Catholics in 1829. Few of the former returned either to orthodox Calvinism or to eighteenth-century moderation. Instead they generally adopted some variety of Methodistical or Anglican evangelicalism. Though the latter were now free to join the theological conversation they were deterred, partly by social isolation, partly perhaps by ecclesiastical discouragement.

Scotland was not immune from evangelicalism. The example of Thomas Chalmers is even more striking than that of Malthus. Minister of Kilmany from 1803, he ignored his parish and devoted his energies to the study of political economy. After a disastrous love affair and the total failure of his first (and best) book, he had a nervous breakdown and sudden evangelical conversion in the winter of 1810-11. He emerged a new man, quickly becoming one of the most famous preachers in Scotland. As a leading evangelical he mounted an attack on the system of patronage in the Scottish church; and when that failed he brought about the Disruption of the Kirk in 1843, becoming the first Moderator of the schismatical Free Kirk. Though an evangelical, Chalmers remained enough of a Moderate to value the characteristically eighteenth-century enterprise of natural theology, and in 1833 he composed the first of the Bridgewater Treatises ‘On the Power, Wisdom and Goodness of God as Manifested in the Creation’ (Waterman 1991: 246-51).

It was natural theology indeed that afforded the intellectual underpinnings of English and Scottish Christianity in all its manifold variety. After Newton, Archdeacon William Paley (1743-1805) was its chief source. His *Natural Theology* (1802) side-stepped Hume’s attack on teleology (McLean 2003) and showed with a wealth of detailed biological illustration the existence, goodness and wisdom of God in designing the perfect adaptation of species to their environment. Together with Newton’s earlier, astrophysical demonstration of the divine existence and attributes, Paley’s biology reassured the Anglophone world of the rational foundation of theistic belief after the nasty shock of the French Revolution; and his two biblical studies (Paley 1790; 1794) erected a solid Christian superstructure on that foundation. However, all this changed suddenly with the appearance of *Origin of Species* (Darwin 1859). There is no ‘design’ in nature, it appears. Evolution is blind and purposeless. Paley and his works disappeared from sight. ‘The decade of the 1860s,’ Keynes (1972: 168) believed, ‘was the critical moment at which Christian dogma fell away from the serious philosophical world of England.’ Although many of the learned remained Christian, and though Britain remained constitutionally a Christian society, religious belief was privatized in practice. During the last third or quarter of the nineteenth century the theological climate was of little or no relevance for economic—or any other scientific—thought. Both science and religion, for so long intimately entwined, were set free to go their separate ways.

2. *Economic thought in Eighteenth-Century Britain*
In England, as in France, the previous century had been fertile in economic thought, much of it relating to public policy in a sovereign state. *Economie politique* emerged as a set of recipes for running France as a manorial fief of *le roi soleil* (Mayerne-Turquet 1611; Montchrétien 1615). In England most economic writers were merchants concerned with international trade, many of them Puritan. It might be tempting to link this fact with the Weber thesis (Lessnoff 1994); but some English authors such as Charles Davenant and Dudley North were Tories, and others such William Petty gladly conformed at the Restoration. Getting and spending were equally acceptable to all English authors (save John Bunyan) regardless of their religion. The most eminent, John Locke, was a physician (like Petty) and a philosopher who turned his mind briefly to economic analysis late in life (Locke 1692; 1695; Negishi 1989: 31-40). Theology seems to have played no part in any of this.

After the turmoil of the previous century even the orthodox showed little interest in ‘revealed’ (or biblical or dogmatic) theology, and following Newton focused their public attention on ‘the Book of Nature.’ Natural philosophy played a large part in establishing the divine existence and attributes, but it became increasingly clear that there is a problem with the coexistence of the attributes. How can a God who is all-powerful, all-wise and all-good allow (or to be honest, cause) the evil that humans perceive in His creation? The Manichæan solution – God is all-good and all-wise but not all-powerful – is ruled out by the Bible. The Anglican Archbishop of Dublin, William King, addressed the problem in *De Origine Mali* (1702), followed shortly after by G. W. Liebniz in *Théodicée* (1710), which gave this branch of theology its name, ‘theodicy,’ and which closely followed King in its analysis and argument. King’s work was translated by Paley’s mentor and patron Edmund Law in 1731; the ‘Preliminary Dissertation’ to that translation by John Gay is generally regarded as the origin of Utilitarian philosophy (Halévy 1928: 7; Crimmins 1983: 542).

All interaction between economic thought and Christian theology in the eighteenth century, therefore, referred either to the evidence of God in Nature (including human institutions), or to a vindication of the divine goodness; in some cases to both.

The earliest and in some ways the most important contribution to economic thought in eighteenth-century Britain, Bernard Mandeville’s *Fable of the Bees* ([1714-28]1988) is intimately related to theodicy in two quite different ways.

In the first place, Mandeville’s notorious slogan ‘Private Vices, Publick Benefits’ is a *reductio ad absurdum* of the Augustinian theodicy employed by the Jansenist moralists Pierre Nicole and Jean Domat. St Augustine had taught that the state and its institutions are inflicted on humanity by God as a *punishment* for sin; but under His mercy may become *remedies* for sin by harnessing the self-regarding acts of sinful men and women to produce unintended consequences that are socially benign. As Gilbert Faccarello (1999) has shown, Nicole and Domat were the first to construct a theodicy of the market economy on this basis. When a traveller arrives in a town where he is quite unknown, observed Nicole, food, lodging and other services are gladly supplied by the locals: not out of charity but because of their ‘cupidity,’ that is, because they expect to get paid by the traveller (Nicole, quoted in Faccarello 1999: 28). Thus

... from so evil a passion as our self-love, and from a poison so contrary to the mutual love which ought to be the foundation of society, God created one of the
remedies which enable it to survive; for from the principle of division He
constructed a link which unites all men in a thousand ways and which maintains
most agreements (Domat 1689: 25, cited in Faccarello 1999: 27).

Faccarello (1999) has shown how the French economic thinker, Pierre de Boisguilbert
(1646-1714) constructed the first complete theory of the self-regulating market economy
on this basis. It has been suggested (Hundert 1994: 23, 31-35; Faccarello 1999: 58, 174 n.
2), that Mandeville’s argument was derived from the Jansensists, whose writings he
certainly would have known. Like them he assumes that self-love is evil: like them he
argues that the ‘Publick Benefits’ of market exchange are driven by this ‘Private Vice’.
But unlike them, he draws no theological inferences from this.

It is paradoxical that Mandeville’s account of economic activity, derived
from Jansenist theodicy, should have been reviled in England as blasphemous by such
respectable figures as William Law, John Wesley, Bishop Berkely and Francis Hutcheson
(Kaye in Mandeville 1988: pp. cxvi-cxxiii); and twice indicted by the Grand Jury of
Middlesex as a public nuisance. The reason for this adverse response was that if self-love
is really a ‘vice’ then we have yet another nasty case of the problem of evil. Why does
God allow (or worse, ‘design’) a world in which good things necessary for human life
and happiness require moral evil for their production? The crucial question of course is
the moral and theological standing of self-love. The Jansenists, following St Augustine,
had regarded it as an ‘evil passion;’ in which they differed hardly at all from the equally
Augustinian Calvinistic Protestants. But as reported above, Calvinism was virtually dead
in Britain by the eighteenth century. Therefore the ablest of those who sought to purge
Mandeville’s doctrine of its objectionable features, whilst retaining its valuable account
of a market economy driven by private interest, sought to distinguish self-love from
‘vice.’

The first to do so was the great Joseph Butler (1692-1752), a convert from Dissent
who eventually became Bishop of Durham. His fifteen Rolls Sermons (Butler
[1726]1969) were preached in the immediate aftermath of the public outcry aroused by
the 1723 edition of the Fable (Waterman 1997: 240-41). As against the influential
doctrine of Lord Shaftesbury’s Characteristicks (1711), Butler showed that the ends of
private good and public good ‘do indeed perfectly coincide’; that ‘self-love is one chief
security of our right behaviour towards society’; that under Providence much unintended
social good is produced by self-regarding actions; and that ‘there is seldom any
inconsistency between what is called our duty and what is called interest’ (Butler 1969:
32, 36, 37-8, 67). Sermons XI and XII, ‘On the Love of our Neighbour’ (164-202),
recognize that self-love is a duty commanded by Christ himself.

Whether David Hume studied Mandeville at the time he was planning the Treatise
(1888 [1739, 1740]); it seems probable that the essay ‘Of Luxury’ (1752; later called ‘Of
Refinement in the Arts’; see Hume 1994) would have been regarded by its readers as one
of the many responses to Mandeville that appeared from time to time for several decades
after 1723. At any rate Hume acknowledged Mandeville in the Introduction to his first
work—along with Locke, Shaftesbury, Hutcheson and Butler—as one of those ‘who have
begun to put the science of man on a new footing’ (Hume 1888 [1739]: p. xxi). Hume
actually presented a copy of his Treatise to the bishop, to whom he was indebted not only
for the vindication of self-love but also— far more important for Hume’s philosophical
project— for Butler’s powerful demonstration of ‘the Ignorance of Man’ (sermon XV). For given the moral acceptability of self-love and the limited power of the human mind to comprehend the working of Divine Providence, the way is open to build on Mandeville’s foundations the ‘theory of spontaneous order’ now seen as the characteristic contribution of the Scottish Enlightenment to social theory (e.g. Hamowy 1987). The multifarious activities of any large human society, most notably its economic activities, arise and can only arise in a gradual, unplanned, accidental, piecemeal fashion in response to the incentives to a myriad individual, self-regarding actions created by others’ needs, wants and desires. A decade or so before Hume began to write, Butler had established that this putatively providential outcome might arise from a wholly virtuous attention by all individuals to their ‘interest’ as determined by the Christian duty of self-love.

The first English (actually Welsh) author to make explicit the link between a rehabilitated, Christian conception of self-love and spontaneous order in a competitive market economy was the Dean of Gloucester, the Revd Josiah Tucker (1713-1799), who had been Butler’s chaplain when the latter was Bishop of Bristol (1738-50). In Elements of Commerce (Tucker, [1755] 1993: 58) he explains that

as our present secular Happiness appears to arise from the Enjoyment of superior Wealth, Power, Honour, Pleasure, or Preferment, SELF-LOVE, the great Mover of created Beings, determines each Individual to aspire after these social Goods, and to use the most probable Means of obtaining them.

This is because, as he explained in Instructions for Travellers (Tucker [1757] 1993: 73) the same good Being who formed the religious System, formed also the commercial, and the End of both, as designed by Providence, is no other than this, That private Interest should coincide with public, self with social, and the present with future Happiness.

From these ingredients Tucker ([1757] 1993: 48) set out what was to become, two decades later, the central message of Wealth of Nations:

( . . . ) let the Legislature but take Care not to make bad Laws, and then as to good ones, they will make themselves: That is, the Self-Love and Self-Interest of each Individual will prompt him to seek such Ways of Gain, Trades and Occupations of Life, as by serving himself, will promote the public Welfare at the same Time.

Adam Smith acquired Tucker’s economic writings for his own library (Mizuta 1996), and would have known of Tucker and his ideas from his friends David Hume and Lord Kames, as also from the ‘oeconomists’ he met on his visits to France. Tucker’s Butlerian view of the human condition can be discovered both in Theory of Moral Sentiments (Smith [1759] 1976a; hereafter TMS) and in Wealth of Nations (Smith [1776] 1976b; hereafter WN), though Smith may well have learned of Butler’s doctrines in the first instance from his old teacher, Francis Hutcheson (Ross 1995: 118). In TMS (I.iii.1), Butler is referred to as ‘a late ingenious and subtle philosopher’.

Throughout the decade before the publication of WN William Paley was lecturing at Cambridge on moral and political philosophy as part of his tutorial duties. His exposition of duty—to God, to one’s neighbour and to oneself—incorporated the ‘theological utilitarianism’ derived from Gay (1731) that Bentham later secularized and patented. Since there can be no obligation to do that which is unfeasible, moral and political philosophy must entail some positive investigation of the economic and social
circumstances to which normative principles apply. Therefore an element of what we now call ‘economic analysis’ is often to be found in expositions of political philosophy. When his lectures were eventually published (Paley 1785) the chapter ‘Of Population and Provision’ contained Paley’s contribution to economic thought; which is remarkable for its utilitarian basis and for its generalization of Mandeville’s account of the effect of ‘luxury’ on economic growth (Waterman 1996). Paley’s sophisticated analysis of the beneficial interdependence of agricultural and industrial sectors in a market economy depends entirely on the self-interest of each individual participant. But it does not rest on any explicit theological foundations; and unlike Tucker, Paley draws no theological inferences from its working. What we see in Paley, it would seem, is the early recognition by a powerful theological thinker engaged in expounding the polity of a Christian society, that economic analysis is a strictly positive inquiry. Though shaped at the outset by Augustinian theodicy, though congruent in some of its results with providentialist teleology, its method and application—like Newtonian natural philosophy—are available to all who will submit to its discipline regardless of religious belief.

The most complete account of eighteenth-century economic thought, building on the work of the French authors from Richard Cantillon to A.-R. J. Turgot and written with full knowledge of Hume and his English predecessors including Mandeville and Tucker, was *An Inquiry into the Nature and Causes of the Wealth of Nations*. Adam Smith was a church-going Presbyterian of the Moderate party in the Church of Scotland, and counted leading Moderate divines among his friends. His earlier *Theory of Moral Sentiments* is filled with theological remarks of a typically eighteenth-century, ‘optimistic’ (i.e. Leibnizian) kind. For example, ‘Every part of nature, when attentively surveyed, equally demonstrates the providential care of its Author, and we admire the wisdom and goodness of God even in the weakness and folly of man’ (Smith [1759] 1976a: 195). In *WN* however, neither ‘God’ nor ‘the Author of nature’ are mentioned at all; ‘the Deity’ only twice. A present-day scholar has been led by this, and by the absence of any reference to ‘Jesus,’ ‘Christ’ or ‘the Son’ in Smith’s extant writings, to conclude that *WN* is ‘an atheistic and anti-Christian work’ (Minowitz 1993: 140).

It is certainly the case that Smith, like Paley, understood the economic analysis of social phenomena to be an autonomous scientific enterprise requiring no sanction from Christian or any other theology. But it is precisely and only autonomous science, resting solely on human reason without resort to any supernatural ‘revelation,’ that can be of service to natural theology. This was certainly the assumption of Newton, and Smith was as Newtonian as any other Enlightenment philosopher. It has been shown that Smith’s complex and seemingly ambiguous use of ‘nature’ and its cognates in *WN*, together with his account of human ‘interest,’ permit us to construe that work theologically as a theodicy of social life that explains how a ‘divine Being’ produces ‘the greatest quantity of happiness’ (Waterman 2004, chap. 6)—which Tucker had claimed but not demonstrated. If this analysis be correct, then Smith’s great work is an example, not at all of the way economic thought has been shaped by theology, but rather of the way economic thought can be of service to theology. Recent scholarship has therefore paid increasing attention to ‘Adam Smith as theologian’ (e.g. Oslington 2011). Whether Smith actually intended *WN* to be read theologically, the next two generations of Christian
political economists from Malthus to Whately regarded Smith’s work as fully compatible with Christian belief.

It would appear in general that in eighteenth-century Britain the institutions of a market economy were regarded as benign, and the nascent science of political economy as congruent with, or at any rate not opposed to, Christian theology. ‘There must be some impulse besides publick spirit,’ wrote Edmund Burke, ‘to put private interest into motion along with it. . . The love of lucre. . . is the grand cause of prosperity in all states” (quoted in Canavan 1995: 27). Moreover, ‘it is not in breaking the laws of commerce, which are the laws of nature, and consequently the laws of God’ that good public policy is made (quoted in Canavan 1995: 130). Though Wesley ([1760] 1998) admonished his followers to ‘Gain all you can’, ‘Save all you can’, ‘Give all you can,’ he stood outside the consensus in his dislike of getting and spending and in his rigorist rejection of Mandeville and ‘luxury’ ([1760] 1998: Sermon 131). Samuel Johnson, oracle of Tory, high-church piety, is more typical. Whilst agreeing with other critics that Mandeville assumed ‘the narrowest system of morality, monastic morality, which holds pleasure itself to be a vice,’ he acknowledged that Mandeville had ‘opened my views into real life very much’ (Boswell [1791] 1960: 948). Johnson recognized a providential, ‘secret concatenation of society’ in the market economy ([1753] 1998, vol. 2, no. 67; Winch 1996, 57–59). And he held that ‘there are few ways in which a man can be more innocently employed than in getting money’ (Boswell 1960: 597).

3. Economic thought in Nineteenth-Century Britain

The generally optimistic character of economic thought in the eighteenth century, and its compatibility with the natural theology that dominated religious thought in that period, may be explained in part by the state of economic analysis in 1776. The wealth of nations is increased by capital accumulation. Given the response of population to the wage rate, the faster is the rate of accumulation, the faster will be the rate of population growth and the higher the real wage in steady state (Hollander 1973; Waterman 2009); therefore the more widely diffused throughout society are the benefits of a market economy. Under ‘the obvious and simple system of natural liberty,’ this benign outcome will occur because of ‘the natural effort of every man to better his condition’; and will be amplified by increasing returns to scale resulting from the division of labour (WN IV.ix.31; IV.v.b.43; I.i-iii).

But if population grows when land is scarce, rising marginal costs of food production will spoil this pleasing picture. What later became known as ‘diminishing returns’ to capital-and-labour as applied to land was recognized by many eighteenth-century authors (e.g. Franklin 1755; Steuart 1767; Anderson 1777; Turgot 1768) and may be discovered in WN. But it was not integrated into such economic analysis as then existed, and Smith’s exposition of wages and growth (WN I.viii; II.iii) is constructed upon the implicit assumption that land is a free good (Waterman 2009). Hence ‘the progressive state’, which is ‘in reality the cheerful and hearty state to all the different orders of society’ (WN I.viii.43) can normally be expected.
All this changed very suddenly in 1798. Robert Malthus’s first *Essay*, written to refute Godwin’s anarchist attack on private property, depended crucially on two assumptions: first, that ‘Mr Godwin’s beautiful system of equality’ will be strongly conducive to population growth; and secondly, that as population grows with fixed land average per capita food supply will decrease to a level at which collective survival will require once again all those social institutions that Godwin had supposed were both malign and expendable (Malthus 1798: chap. 10). Malthus concluded that at equilibrium in *any* human society, when incomes have fallen to the bare minimum and population is stationary in Adam Smith’s ‘dull’ state, mankind is faced with a choice between *misery*—i.e. dire poverty or compulsory celibacy—and *vice* (Waterman 1991: 37-45). The implicit analysis in Malthus’s ‘ratios’ was recognized by 1815 to imply diminishing returns and the ‘Ricardian’ theory of rent (Malthus 1815; West 1815; Torrens 1815; Ricardo 1815). What Paul Samuelson (1978) labeled ‘the canonical classical model of political economy,’ which was to characterize the English School of economic thought down to the 1860s, inaugurated a century-long transformation of political economy—the ‘chearful’ science of wealth, into *economics*—the Dismal Science of scarcity.

Malthus himself was the first to recognize the sharp conflict between Christian theology and economic thought created by his ‘principle of population.’ The Problem of Evil had surfaced yet again. Why does God create a world in which all men and women must live in misery or vice? The last two chapters of the first *Essay* contain a theodicy based on the influential doctrines of the gentleman-philosopher Abraham Tucker (1705-1774), not to be confused with Josiah Tucker, whom even the great Paley had acknowledged as an authority. ‘The world and this life’ are ‘the mighty process of God . . . for the creation and formation of mind’; and the tribulations of this life are necessary ‘to awaken inert, chaotic matter into spirit’ (Malthus 1798: 353-57). Malthus was far less able as a theologian than as an economist, and his theodicy, which was seriously heterodox, was a failure (Waterman 1983; 1991: 97-112). ‘Some distinguished persons in our church’ (Otter 1835: p.lii) persuaded Malthus to omit the theological chapters from the second edition of the *Essay*—virtually a new work—published in 1803.

Malthus’s anti-utopian argument was too important to be discredited by a defective theodicy however, and other, more experienced theologians soon came to the rescue. The first was Paley, whose *Natural Theology* (1802) written at the end of his life, argued that the evil produced by population pressure could be reconciled with Butler’s account of human life as a ‘state of discipline and trial,’ and could therefore be incorporated into his general teleological argument for the existence of God (Waterman 1991: 126-35). But his treatment, a brief, preliminary sketch, was ignored in all the reviews.

Malthus himself made two highly significant changes in the new recension of his *Essay* (1803) the following year. In addition to dropping his growth-of-mind theodicy, he introduced a new version of the preventive check to population derived from Paley: *moral restraint*, which is neither ‘vice’ nor ‘misery.’ He also hinted at the doctrine, much in favour with evangelicals at that time, which he had explicitly denied in 1798: that this life is a state of discipline and trial. These changes seem to have made the *Essay* acceptable to high-church orthodoxy (Waterman 1991: 144-48, 145). Not until 1816 however was the principle of population finally and authoritatively reconciled to the
Christian theology of that age by the Etonian, Cambridge divine, John Bird Sumner (1780-1862), eventually Archbishop of Canterbury. In his fifth edition, published the following year, Malthus (1817 III: 425) acknowledged that Sumner’s celebrated *Treatise on the Records of the Creation* (1816) was ‘a masterly development and completion’ of his own views.

Sumner’s achievement was to lift the Malthusian argument out of the ever problematic realm of theodicy and transplant it to the more promising soil of Paley’s teleology. ‘Inequalities of Ranks and Fortunes,’ he argued, is the condition best suited to human development and the exercise of virtue. It is proof of the Divine wisdom that this order of things is ‘universally established, by the Operation of a single principle’: the principle of population (Waterman 1991: 160-70). Sumner’s argument was skilful and detailed, showed complete mastery of current economic thought, strongly asserted the Butlerian doctrine of this life as a state of discipline and trial (which Malthus finally backed down on in his fifth edition), and had a distinctly evangelical flavor that commended it to a wide audience. It may now seem remarkable that both David Ricardo and J. R. McCulloch, neither of whom was an orthodox believer, should have welcomed this ‘clever book’ (Ricardo 1951–73 VII: 247–8; McCulloch 1845: 261). But the new political economy of Malthus and Ricardo had been stigmatized since Southey’s review of Malthus’s second edition as ‘hostile to religion’ (Southey 1803: 292-301; Waterman 1991: 200-209), which was very prejudicial to its acceptance—and usefulness—in a Christian society. Ricardo’s and McCulloch’s approval of Sumner’s work therefore had less to do with their own religious convictions than with their relief that political economy had been convincingly defended against the damaging charge of irreligion.

Though Sumner had reassured the educated elite that political economy was not opposed to and was indeed positively supportive of Christianity, a wholly new need to defend it occurred within a decade. Leading members of the ‘Philosophic Radicals,’ especially Bentham himself, were known or suspected to be atheist. And the Philosophic Radicals attempted to capture political economy in support of their putatively godless program of ‘reform’ so much hated and feared by the Anglican establishment. Political economy therefore became tainted by association (Waterman 1991: 202-204). As might be expected, intellectual defence of the establishment came primarily from high-church Oxford. The key figure was Richard Whately, Drummond Professor of Political Economy (1830-31): the only economist in history to move directly from a professorial chair to an Archbishopric (of Dublin) without intervening stages.

Whately’s *Introductory Lectures* (1831) seized the middle ground between Romantic Tories and other Christian reactionaries on the one hand, and atheistic radicals on the other. As against the former, Whately demonstrated that political economy is a value-free science that cannot be in conflict with religion; that its subject matter—wealth—is not an evil; and that its conception of the self-regulating market economy is useful for natural theology. As against the latter, he showed that though political economy is necessary for rational public policy it is not sufficient. Value premises are required: which may come from natural law or scripture, but which cannot be had from utilitarian principles alone. Central to Whately’s thinking was a sharp epistemological distinction between ‘scientific’ knowledge and ‘religious’ knowledge. The Bible can tell us nothing about science: and science can tell us nothing about God’s self-revelation in human
history. Whately’s watertight division between political economy and Christian theology made explicit and formal what had already been implicit in the work of Paley and Adam Smith in the previous century. For although it may have originated in part in Christian theology, economic analysis had emerged by the middle of the eighteenth century as an independent, strictly positive inquiry. It is no more hostile to religion than engineering or chemistry. And it may, like science in general, be brought as evidence in natural theology. Indeed, Whately himself at one time had thought of ‘making a sort of continuation of Paley’s “Natural Theology”, extending to the body politic some such views as his respecting the natural’ (Whately 1866 I: 66-7). But for that very reason there can be no possibility that Christian or any other theology could affect either the methods or findings of economic science.

The only major encounters between economic thought and Christian theology after Whately were Chalmer’s *Political Economy* (1832) and his Bridgewater Treatise (1833). The former provided an ingenious economistic argument for the establishment of a national church; the latter presented political economy as natural theology. But McCulloch exposed a fatal analytical weakness in the first; and the reviewers were almost unanimous in dismissing the second as without merit (Waterman 1991: 230-40; 246-52).

By 1870 most leading economists in Britain, of whom Alfred Marshall and Henry Sidgwick were the most influential, had abandoned orthodox Christianity and come to regard their scientific work as the best means of loving their neighbour. Both W. S. Jevons and Philip Wicksteed were Unitarian however, the latter as much a theologian as an economist. Wicksteed was unique for his time and place in rejecting Whately’s demarcation between theological and economic knowledge; and remarkable in applying marginal analysis to the spiritual life (e.g. Wicksteed 1910: 77-80; see Steedman 1994). What seems to have been the last attempt by a professional British economist of standing to reconcile economic analysis with Christianity is the final chapter of J. Shield Nicholson’s three-volume *Principles of Political Economy* (1893-1901), which opens with the words: *Credo in Unum Deum*.

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