

PHILOSOPHY, HISTORY, AND METHODOLOGY OF ECONOMICS

Keeping Faith, Losing Faith: Religious Belief and Political Economy

Bradley Bateman and H. Spencer Banzhaf (Editors)

Durham and London: Duke University Press, 2008 (369 pages)

This collection of essays arises from “a small conference” at Duke University in April 2007, the title of which was History of Political Economy. The purpose of the book is to address a specific problem, namely “a step toward looking at the long history that preceded the rise and triumph of a secular neoclassical economics at the middle of the last century” (18). In the early-modern Western world, there was not much that was not informed by religious thinking or expressed without religious forms of discourse, but over time has occurred a process of separation covering a wide spectrum, including that of political economy. Two antireligious themes appear, namely Utilitarianism and Secularization, and these are addressed over a tripartite geographical division of Europe (especially France), the United Kingdom, and the United States.

Adam Smith is to a considerable extent the starting point of the enterprise; in particular, his advocacy of “self-interest,” whereby if those involved in economic life pursue their own interests, the common good will be served, hence obviating the need for an ethical aspect to political economy. However, as Stewart Davenport explores in “*Das Adam Smith Problem in America*,” this approach was by no means accepted universally, and a broad appeal was made to religion, whether traditional or innovative, leading to some application of human moral (conscience) consideration. The moral question is what provides the tension in the entire collection of essays.

Given the role of France in the development of modern socialism, the first essay about the Continent, by Faccarello and Steiner, is a felicitous choice in that it investigates the role of religion in emerging ways of thinking about society. The authors locate three general patterns of treating their theme of religion and political economy. The first of these is “a-religious political economy” under the sway of Utilitarianism, which might even claim the capacity to evaluate religion on the basis of its social utility. The second and third categories reject this repudiation of religion and find in religion the means of undergirding a necessary moral sense that serves to counterbalance self-interest, which, if granted complete autonomy, might well lead to social breakdown. Indeed one might have to choose between “civilization or moral depravity,” and clearly for such people, including Germaine de Staël and Benjamin Constant, the latter is the threat posed by Utilitarianism. Morals are drawn from religion, which, according to de Staël, is to be understood in the sentimental or romantic terms of the German Friedrich Schleiermacher. These thinkers were not generally friends of institutional religion, but insofar as they manifest any affinity for existing models, they have rather more in common with liberal Protestants than with Roman Catholics. The third group, including the Saint-Simonians and Auguste Comte, went further down that same road, but their religion, if more pervasive, became even more humanistic, “a love of the universal family of man.” This does not mean a devaluing of the profit motive, but it must be pursued within a moral context of philanthropy. Thus, French thinkers, while preparing the ground for Marx, did not generally anticipate his “ideological” critique of religion, and while deinstitutionalizing religion they retained what amounts to a large part of the moral character of Christianity, even in its medieval Catholic form where charity played such an outstanding role.

Catholicism was in fact challenged doubly in the nineteenth century, both by these religious solutions and by the very fact of the materialism inherent in political economy. To confront the challenges in the years leading up to *Rerum Novarum* (1891), Catholics turned to Thomism to describe the visible and invisible worlds and also to evaluate the teachings of modern ideas. This project took many years, hence the relatively late date of the encyclical. Thomism found expression in *Civiltà Cattolica*, a journal founded by Jesuits in 1850 and sponsored by two popes, Pius IX and Leo XIII. The essays on political economy urged government intervention in economic life to ensure the pursuit and protection of the common good, including regulation of child labor and the extent of the working day and even a minimum wage. Charity was not enough in the changed conditions of an industrial economy, and thus the Church itself must look to the state to implement suitable policies to ensure that humanity was not a means to an end but the end itself.

With the landscape thus prepared, Leo issued *Rerum Novarum*: “The innovative nature of this encyclical was twofold. It offered a set of general guiding principles, properly articulated into a global vision, on the proper way to deal with the new socioeconomic realities of industrialization. It also was a recognition that the church had to keep up with the new subjects of moral reflection engendered by a changing social and economic reality” (75). Its major negative focus was political and economic liberalism, which eviscerated

traditional social structures. Pius XI issued *Quadragesimo Anno* (i.e., “forty years on”), in 1931 and attacked “economic despotism” where too much economic power lay in too few hands. The encyclical again urged the recognition of Christian moral aims within a capitalist—not a socialist—framework. The pope discussed subsidiarity, “according to which the state should not intervene when intermediate levels of society ... could have an effective action” (77). In the 1930s, then, the church found itself urging a third way, that of corporatism, between capitalism and socialism—a concept to some extent borrowed from medieval practice, as in the guilds. However, such an idea suffered by association in the context of Fascism and Nazism, and in the post-war years Catholic thought moved to a position where the church was not to identify itself with any particular system.

Francesco Vico (1902–1968) was an Italian economist who became “a contributor to a thorough debate in Catholic social thinking” (88). Blessed with a remarkably wide educational experience, Vico saw the ethical as intrinsic to the enterprise of political economy, given that there must be some basis for determining the social goals to which analysis might point. He was oriented by his commitment to personalism, “which takes the person as a fundamental reality and yardstick of value” (99), and which might assist in dealing with the depersonalizing qualities of capitalism. Christianity was crucial here because of its clear superiority in protecting the dignity and wholeness of the human being.

The second and third parts of the book are committed to the fragmented environment of Protestantism. In England, the religious context was rather different, both in the fact of the Church of England as the central religious institution of the realm and also in that country’s lack of a revolutionary past and concomitant radical solutions. Central to the debate between generally university-based thinkers was the tradition of natural theology, whereby one observed God’s relationship with physical creation in the linkages that pointed so vividly to his providential ordering.

Thomas Malthus threw a spanner into the works when he wrote that human fecundity would outstrip the world’s carrying capacity of human beings. This put political economy at odds with William Paley’s providential view, and in 1831 Richard Whately decreed the separation of religion and economics. Not everyone paid attention, though, and some, such as R. H. Tawney, continued to see the two as connected well into the twentieth century. Skaggs offers an interesting perspective through the banker Henry Thornton, whose historical contribution includes his role in the founding of the Clapham Sect. In his *Paper Credit*, Thornton offers a sophisticated analysis, without allowing his religious commitments to appear, at least explicitly, and the careful essayist is perhaps a bit perplexed about how to interpret his subject. In America, Frank H. Knight was in many respects disdainful of religion, yet his approach to political economy gives occasion for the best quotation in the book (from his students): “There is no God, and Frank Knight is his prophet” (316).

This book represents a big leap for someone not already acquainted with the subject, but for students of the period willing to wrestle with it, it brings to light some important issues. For this reviewer, a historian but not of political economy, the primary point of contact was that of “personal histories” (234): In the narratives of nineteenth- and

twentieth-century intellectuals, one will find many intersections between religion and political economy. This is a valuable book, nicely produced, and deserves a place in every university and college library.

—David G. Mullan (e-mail: david_mullan@cbu.ca)
Cape Breton University, Nova Scotia, Canada

Goddess of the Market: Ayn Rand and the American Right

Jennifer Burns

New York: Oxford University Press, 2009 (369 pages)

One of the more interesting things about the study of the Right in America is the prevalence of women intellectuals and activists who are prominent figures in the movement. Some are not well known, if they have not been forgotten entirely, such as Isabel Paterson or Rose Wilder Lane; others, such as Ayn Rand and Phyllis Schlafly, were (and remain) incredibly popular figures, influential for their intellectual and political contributions to the movement. Recently, Schlafly, and now Rand, have received their due with solid academic biographies about their importance to the Right in modern America.

Jennifer Burns, a historian at the University of Virginia, has crafted an astute and well-written intellectual biography of Ayn Rand. Burns has no axe to grind in doing so: She is not an objectivist nor is she particularly sympathetic to Rand's ideas. Rather, as a professional historian, Burns has done some scholarly heavy lifting by using the Ayn Rand Archive and fairly assessing the Überfrau of Individualism's contributions to intellectual history in the twentieth century.

Burns paints a portrait of a gifted young woman deeply impacted by the Bolshevik revolution in her native Russia. What emerges from her discussion of Rand's formative years is not the original political philosopher who would come to fame later but rather a more mainstream Rand. Rand differed little from other conservative intellectuals in her hatred of the New Deal and her equation of it with communism. Early in her career, as she completed her first novel, *We the Living*, Rand could pass for a prototypical individualist conservative attempting to explain where America went wrong in its embrace of Franklin Roosevelt. In her disdain for the statism of FDR's New Deal, she is more akin to Garet Garrett than to John Galt. Indeed, Rand would be influenced throughout the 1930s by a variety of conservative-libertarian intellectuals who had been marginalized in the new age of liberalism.

Burns skillfully tells the tale of Rand's path to objectivism. Rand's "Manifesto of Individualism," published in 1941, which grew out of her involvement in the 1940 presidential campaign of Wendell Willkie, as well as her defense of capitalism, both emerged from her profound acceptance of American ideals—especially the natural rights philosophy of the Declaration of Independence. Yet, Rand went further than simply embracing a natural rights liberal view: She saw things in terms of a dyad, and in her creation of such