

## CHRISTIANITY, THE MARKET AND BEYOND

By John A. Davenport

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The subject of this symposium does justice to Hillsdale's propensity to assign hard topics to its students and lecturers. For on the face of it religion and economics would seem to have little to do with each other, and when they do get mixed up together most of us do not like it. For instance we resent the fact that gentlemen of the cloth on occasion have preached Socialist doctrine. Nor are we quite comfortable when as more recently they take the opposite tack implying that to be part of the "moral majority" we should have opposed the Panama Canal treaty or should be favorably disposed to whatever private enterprise may do or may not do. To separation of Church and State we are inclined to add a strong wall of separation between religion and any particular set of economic views. Render unto Caesar the things that are Caesar's and to God what belongs to God.

Yet as a practical matter we cannot completely compartmentalize religion, politics and economics, and



certainly the Founding Fathers did not do so. The Declaration speaks of men being endowed by their Creator with certain inalienable rights, and refers to the laws of nature and of nature's God. The U.S. set sail with certain moral presuppositions flying at its masthead, and these in turn would seem to have had something to do with belief in the limitation of secular government power. Given that limitation it followed, though it was never overtly stated, that the U.S. would develop not according to some master economic plan but through an economy based on private property and the operation of what we call the free market. Had we done otherwise, had we believed in a totally planned economy, our forefathers might well have crossed the Alleghenies. But I suspect we might still be trying to reach Hillsdale or be stuck on the Great Plains without reaching California and the broad Pacific!

There has been therefore, I would suggest, a kind of

im•pri•mis (im-pri-mis) adv. In the first place. Middle English, from Latin *in primis*, among the first (things).

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Trilogy working through our affairs in which Religion and certain ethical values or standards, a certain view of government, and a certain practical way of carrying on the world's work, flowed together like the tributaries of the Mississippi to produce a great nation. The problem we face today, and of this seminar, is whether this fortunate confluence of ideals and ideas can be maintained in an age of rapid technological advance and in an increasingly secular society. Is it true as a previous speaker, Edmund Opitz, has argued that religion and capitalism are fundamentally not enemies but friends, and that in Winston Churchill's phrase we still stand for what in the darkest hour of the war he called Western Christian civilization? Or is there some fatal conflict afoot in our society and in its underlying philosophic strata? Attending the great Chicago Exposition of 1893 old Henry Adams began to ponder the seemingly divergent lines of force symbolized for him in the *Dynamo and the Virgin*. How reconcile the genii of electricity with his beloved Mont St. Michel and Chartres? How reconcile the coming of atomic fission, the computer, mass markets and the boob tube, with the Cross?

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Before trying to answer these questions analytically it will repay us, I believe, to turn back the pages of history to events which long predate the founding of our still fortunate Republic, and to reexamine the flow of ideas and developments which have brought us to our present posture of doubt and uncertainty. Among the more amazing phenomena of history is how from humble beginnings the teachings of Christianity in a matter of a few generations came to sweep the decaying Roman Empire and the world of antiquity - "the glory that was Greece and the grandeur that was Rome." Many explanations have been offered for this phenomenon but the most eloquent statement of Christianity's role in history that I know is contained in the final pages of Walter Lippmann's *The Good Society*, a book which I recommend to you. Writes Lippmann, looking back over the centuries: "To the masses of the Western world the news that all men are more than things was proclaimed by the Christian gospel and was celebrated in its central mysteries.... For in the recognition that there is in each man a final essence—that is to say, an immortal soul—which only God can judge, a limit was set up on the dominion of men over men.... Toward this conviction men have fought their way in the long ascent out of the morass of barbarism. Upon this rock they have built the rude foundations of the Good Society."

An extraordinary statement considering that Lippmann, so far as I know, was not himself a devout churchman and considering that the rise of Christianity is associated in the pages of Gibbon and others with the coming of the so-called Dark Ages in which the civilizations of the ancient world disappeared in an era

marked by war, pestilence, and crass superstition where, at best, Christianity offered a City of God to be found in the next world but certainly not in this. Yet modern scholarship has, I believe, tended to refine if not overthrow the view that the Middle Ages were an age of darkness unrelieved till the escape from Christian teachings in the glorious Renaissance of the fourteenth century. William Carroll Bark of Stanford University has suggested that some of the liberties we prize today owe their origin fully as much to "barbaric" German tribes as to Rome itself. Christopher Dawson has shown that the Dark Ages were not so dark even when it came to technological progress. One of the perennial mysteries of history is why the Greeks and later the Romans, possessed as they were of enormous advances in mathematics and abstract philosophy, rarely applied such learning to mechanical contrivances. One possible answer is the presence and acceptance of slavery. If you have plenty of slaves about you are not apt to be interested in the modern dishwasher!

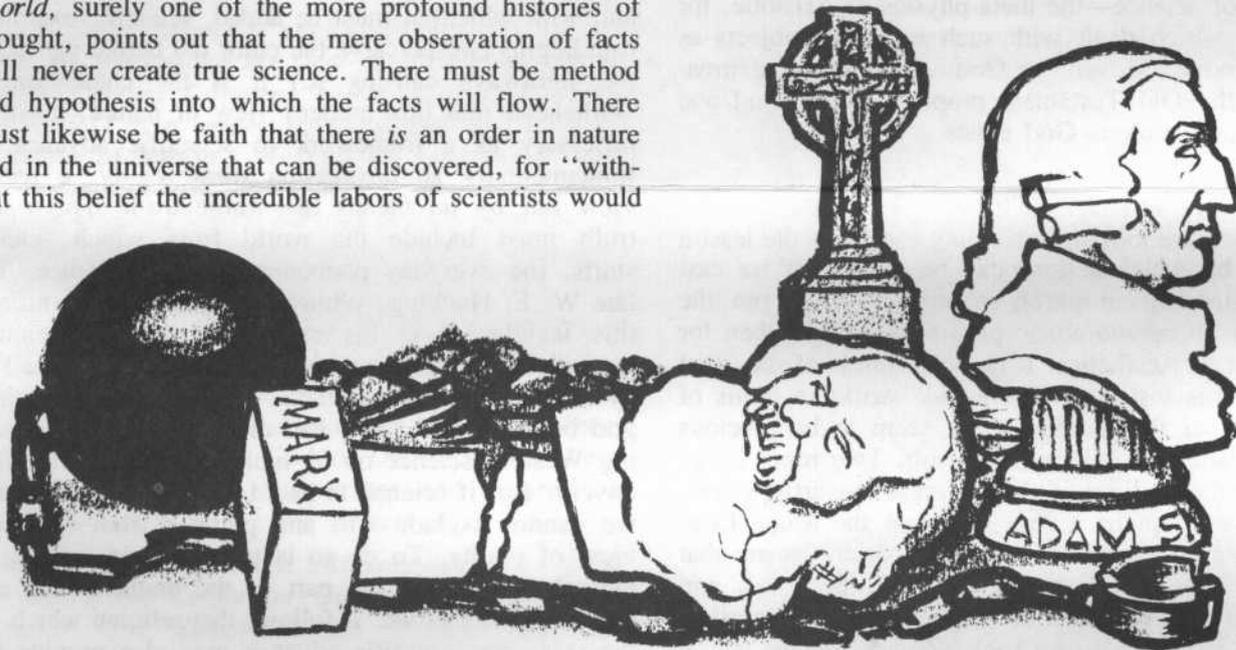
Now the Christian Church at times tolerated slavery as we Americans, the product of the Civil War, have reason to know. But the mind-set of the Christian doctrine was against the slave society, and the scholars to whom I am referring make much of the fact that as slavery diminished, men were forced to pay some attention to how drudging work in the fields and the towns could be alleviated. In the days of bread and circuses Roman chariots were drawn by traces and a yoke which had the misfortune of nearly strangling the horse when he was trying to respond to the whip of his master. The Middle Ages saw the introduction of the simple device of the horse collar, a tiny advance by our standards but one which multiplied horsepower many times over. To this period we owe the rotation of crops, the development of the wheeled plow, and the widespread use of the windmill for draining swamps, and the water mill for grinding wheat. The monasteries were not just devoted to prayer. As the rule of St. Benedict put it: "If the brothers, whether from necessity or poverty, are obliged to go out to harvest crops themselves, let them not be distressed, for it is when they live by the work of their hands that they will in truth be monks." The building of cathedrals involved the use of hydraulic jacks, levers, and all manner of building tools. Meanwhile trade, at first local and sporadic, expanded. The late Middle Ages saw the rise of the guilds and the artisans. As Dawson has pointed out, Christianity differed from all other Eastern religions in its dual emphasis on the divine *and* the practical. "Deliverance is to be obtained not by a sheer disregard of physical existence and a concentration of the intellect on pure Being, but by creative activity that affects every part of the corporate nature of man."

Finally, it should be emphasized that while we owe

the preservation of the great intellectual works of classical antiquity to the Arabs and to the East, still when the writings of Plato and Aristotle pens were brought back to Europe, they were put to good use. It is fashionable today to ridicule the Schoolmen for arguing as to how many angels could dance on the point of a pin. In point of fact we owe to them, and especially to Aquinas, the reconciliation of faith and reason. The flowering of modern science in the seventeenth century is usually associated with the rise of inductive as against deductive reasoning. But Alfred North Whitehead, in his *Science and the Modern World*, surely one of the more profound histories of thought, points out that the mere observation of facts will never create true science. There must be method and hypothesis into which the facts will flow. There must likewise be faith that there *is* an order in nature and in the universe that can be discovered, for "without this belief the incredible labors of scientists would

the earth moved around the sun, not vice versa, a small but significant act of penance for its apostasy in seeking to bottle up for far too long man's Promethean spirit of inquiry and of confusing the humble teachings of Christ with the literal interpretation of Genesis.

In any case, having paid our respects to medievalism it is only a truism to say that we cannot understand the achievements and the perplexities of modernity without saluting what Whitehead calls the Century of Genius—that time span including the late sixteenth and seventeenth centuries which brought to



be without hope." In the medieval view God at least was rational, and this belief in its turn affected all that was to come. In explaining the modern world of high technology Whitehead states; "My explanation is that the faith in the possibility of science, generated antecedently to the development of modern scientific theory, is an *unconscious derivative from medieval theology.*"

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What is true is that until the Christianity of the Schoolmen rid itself of the particular cosmology of Aristotle in which the earth was conceived to be the center of the universe and until men began to apply their minds to what Galileo called "the irreducible and stubborn facts" of nature, modern scientific advance was impossible. And what is true is that the Christian Church for far too long resisted this breakout, giving rise to the Inquisition and many other atrocities which those who today still call themselves Christians, whether Catholic or Protestant, would prefer to forget about. Yet in the end the breakout occurred and I read in the papers that the Catholic Church is even now reconsidering its indictment of Galileo over three hundred years ago for his apostasy in declaring that

fruition the insights of Copernicus, Kepler, Galileo, Harvey, and Francis Bacon, not to mention in literature the penning of *Don Quixote* and *Hamlet*. In this period man was freed from the illusion that physically speaking he is the center of the universe. In this period and with Harvey's discovery of the circulation of the blood, modern medicine with all its blessings to the human condition took its start. In this period the foundations were laid for Newtonian physics, with its twin concepts of mass and energy, which allowed man not just to bow to the laws of nature but to tame and manipulate nature to his own desired ends. And from this period arose two problems with which modern man has ever since had to cope.

The first is the philosophical problem deriving especially from Descartes (i.e., "I think therefore I am") of how the inner spirit of man and the world of sentient consciousness can be reconciled with the "night view" of science out there, the world of colorless and soundless atoms whirling on in their apparently purposeless configurations. I shall come back to this problem—what Whitehead calls the fatal "bifurcation" in our thinking—at the end of this lecture. The second and more practical problem arising from the

Renaissance was how, in the light of advancing science and technology, man should reorder his political and economic life. It is on this latter problem that I wish to concentrate first. For it cannot be assumed that the largely agricultural economy of the Middle Ages would survive the Century of Genius intact, nor did it. On the contrary the new world opened up by the Renaissance led on directly to the industrial revolution and the Satanic mills of William Blake and to something more fundamental. That something is the *division of labor* and the ever widening markets which have made modern progress possible.

The man who most clearly grasped the significance of this enormous change—the change inherent in the fact that men might be producing goods not in exchange for those of his neighbors, but for far-distance consumers—was of course Adam Smith whose *Wealth of Nations* was published in the same year as the *Declaration of Independence*. In the very first sentence of that seminal tract Smith points out that nothing has contributed more to man's material advancement than the division of labor, and there follows the famous illustration of the making of a pin where if one man makes the pin head another the shaft, we obtain larger output than if a single artisan should try to fashion the whole of this lowly but useful commodity. But if this is true then some means must be found for integrating the work of many hands. Smith's answer and the answer of the whole libertarian tradition in economics is that this integration is best achieved through the free play of wages, prices and profits—the signalling system whereby scarce resources, material and human, are allocated to their appointed task. This plus Smith's insight that in following their own self-interest men frequently produce larger social results than any one man could have foreseen is the foundation stone of what we today call the enterprise economy. Again to quote Walter Lippmann's *Good Society*: "The market is not something invented by businessmen and speculators for their profit, or by the classical economists for their intellectual pleasure. The market is the only possible method by which labor that has been analysed into separate specialities can be synthesized into useful work.... The division of labor and its regulation in markets are two inseparable aspects of the same process, of producing wealth, and the failure to understand that truth is a sure sign of a failure to understand the technical principle of production in the modern world."

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The man who least understood this principle is, of course, Karl Marx who, coming on scene nearly a century after Adam Smith, sought to turn libertarian economics on its head. Building on the false labor theory of value, traces of which are to be found in both Smith and Ricardo, he indicted the profit motive as simply a means of exploitation of the worker by greedy capitalists. Building on a materialistic view of

the world which may be helpful to the natural sciences, and mixing this up with the ruminations of Hegel, he devised the system of dialectical materialism in which history is inevitably determined by economic forces. The rule of the bourgeoisie creates a rising proletariat. The proletariat in their turn seize and socialize the means of production through the power of the state. The state then "withers away," and we have the perfect communist society ruled by the principle of, "From each according to his abilities, to each according to his need."

The prospect is at first dazzling, and unfortunately the promise of socialism if not of Marxism has at one time or another had wide influence in the thinking of men who call themselves Christians, not to mention those who don't, as represented by members of the famous British Fabian Society, H. G. Wells, Bernard Shaw, the Webbs, the original formulators of the Welfare if not the Socialist state. Nor should we underestimate the appeal of what is sometimes called Christian socialism to men of the cloth and to missionaries who have sought to carry the Gospel to far off lands in Africa and elsewhere. The Gospels are there to remind us of the condition of the poor, but despite enormous advances under capitalism, the poor are still with us. The Gospels appeal to our sense of justice, but the market rewards men not according to their abstract merit but according to what other men—ultimately the consumer—think of their product: hence higher salaries paid to, say, movie stars and much lower pay to the ditch digger who may be equally deserving. The Christian message is one of peace on earth, good will toward men. The market depends, for its proper function, on competition.

Yet, granting these enticements for condemning modern capitalism or for looking for some better way of organizing the world's work, the evidence is overwhelming that so far at least that better way has not been found. On the contrary all those glittering promises of the Marxian dialectic have turned to dust and ashes. And this for two reasons: one practical, one more profound. The practical reason as developed in our time by Ludwig von Mises, whose master works are collected here at Hillsdale, is that once the state has seized the means of production, once the pricing system has been abandoned, there is no way of knowing what should be produced, in what quantities, and for what purpose. It is told of Lenin that on assuming power in Russia in 1917 he confidently expected that somewhere in the book of Marx there must be a blueprint for guiding production into the proper channels. There is no such blueprint. As Mises demonstrated long ago, rational socialist calculation is impossible. And events have more than proved that insight. The present Russian state is very good at making guns and rockets where priorities are set by military dictate. It has no way of determining what people need and want: the consumer, who is every

man, becomes a shabby non-entity.

But beyond this, of course, the Russian "experiment" drives home a more profound if obvious lesson, namely that where the state acquires economic power over men's lives, that power is not apt to "wither away." On the contrary, with every attempt to enforce five-year or ten-year plans on a society, that power expands geometrically, and tends to reach into every department of life, with a consequent loss of liberty itself. In the communal societies as envisaged by Robert Owen and briefly by our Puritan forefathers there was at least a modicum of voluntary collaboration though these experiments foundered for want of motivation. But under a Marxist dispensation such collaboration is what "withers away" and the K.G.B. with its "knock at the door" takes over. In the end the practice of intellectual and religious freedom is at hazard. It is no happenstance that Marx declared that religion is the "opium of the people." For religion and especially Christianity assumes that men are free to choose not just between this or that economic good but free to choose between this or that mode of conduct and this or that belief. The practice of virtue, charity, compassion assumes freedom of the will. Where exercise of such freedom is endangered the spirit of Christianity is bound to resist, as Solzhenitsyn has grandly shown.

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We may conclude then that whatever its defects the market economy based on private property and entailing the widespread diffusion of economic power and decision-making is the indispensable *condition* of the free and humane society. The question remains whether if this condition is satisfied we can assume that all will be well. On this point so-called economic science gives little guidance and indeed raises more questions than it answers. For as economics has freed itself from the nursery strings of moral philosophy, and has become a separate discipline, it has, following the lead of the natural sciences, sought to free itself of all value judgments. Economics, as defined by Mises and Lionel Robbins, is the study of human behavior or choice when faced by scarce means that can be put to alternative uses. It passes no judgment on whether those choices are good or bad. If a boy takes to drugs instead of pursuing his education that is indeed a lamentable happening. But it is not the business of the economist to say so. His business is that if an individual or government chooses A, then B follows. With respect to the value of that choice the economist is neutral.

Now this is a permissible and no doubt useful position. For we all gain by knowing the results of alternative lines of action and their probable consequences. I have sometimes wondered, however, just how far it can be carried. Libertarian economists in particular are the staunch defenders of freedom, no

one more so than Ludwig von Mises. Yet freedom is, after all, a value—one of the most precious known to man—and it is precisely on the basis that it annuls freedom that we condemn the collectivist state. Moreover, and more importantly, the achievement of individual freedom inevitably raises the question of freedom for *what* and to what ends? This is the question which modern economics studiously avoids, and if you ask why, you may as likely as not be told that whereas free choice may be taken as an "objective" fact or scientific datum, the ends to which men put freedom are at best "subjective." If this means only that deliberate choice is a psychological phenomenon differing from the hard measurable facts of nature, well and good. But if this means that the ends men choose are no better than human whim, we are in difficulties. For this entails the proposition common in our day that if "you do your thing and I do mine," then all will be for the best. In fact all will not be for the best, for we are plunged into a world of complete moral relativism, lacking any standards by which to judge human conduct.

Yet such relativism will not, I suspect, even sustain the normal workings of the market, let alone its other shortcomings. The simplest economic exchange requires good faith on the part of both buyer and seller, *i.e.*, honesty. The New York Stock Exchange would be out of business tomorrow if the broker could not trust his client to make good on a contract initiated by a telephone call, and without formal papers, to buy or sell securities. The whole complex fabric of modern economic life, involving as it does transactions that span the oceans, is built on certain assumptions as to what is wrong and what is right, what is permissible and what is nonpermissible. Even our efforts to curb the overwhelming power of government involve in the end certain moral presuppositions. What is the worst that can be said of inflation brought on by the reckless spending of government and the easy accommodation of same by central banks? Not just that such practices will inevitably drive prices upward. The telling indictment of inflation is that it is a form of *theft* executed, as Keynes reminded us, by a process that only one man in a thousand can understand. What is the strongest argument against the ever-spreading dominion of the Welfare State? Not that it is often inefficient, but that it cannot make good on its promises. Harry Scherman, former head of the Book of the Month Club, once wrote a book titled *The Promises Men Live By*. It will bear rereading at a time when economics, celebrating free choice, washes its hands of *what* choices are made.

Let me repeat that this is not a criticism of modern economic method. It is simply to argue that if economics perhaps rightly shuns the problem of value, then it must step aside to make way for those disciplines which have always made judgments of value their business, notably ethics and what used to be

called moral philosophy. And this is the path which some fully at home in economics and stout defenders of the market have taken. F. A. Hayek, for one, reminds us that any free society must be grounded in a certain moral "consensus." He even argues in his monumental *Constitution of Liberty* for the need of a "meta-legal" system which stands above all man-made laws and even above all man-made constitutions. Meta-legal? That is a strange phrase to be issuing from the pen of our foremost libertarian thinker. For it seems to open the door to speculations (*speculo, speculari*—to observe) that reach beyond the normal purview of science—the meta-physics of Aristotle, for instance, which dealt with such unhandy subjects as the "Unmoved Mover" or God. Or with the affirmations of the Old Testament prophets that a God and not always a jealous God exists.

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What we are looking for in any case is at the least a standard by which actions can be judged. If we cast such a standard in purely moral terms we run the danger of cheap moralistic preachment. Turn then for a moment to Aesthetics. It is the business of the artist to render his vision of the outside world in terms of color, and at the moment there seem to be precious few standards for judging the result. Two ropes hanging from the ceiling, if they express the artist's feelings, are said to be art no less than the Mona Lisa. But in fact standards of art remain which declare that the one is meaningless and the other beautiful, and that it is the business of aesthetics to differentiate between the two. Or turn back again to science whose method is experimental and empiric following always where the so-called facts lead. Yet in this question, as we have seen, there is a hidden assumption, that somewhere out there Truth exists—a truth which makes the whole pursuit of knowledge meaningful. Truth, Beauty and Goodness—we shall not go far without them.

It would be my contention that the Judeo-Christian tradition has something to offer in this search for standards in the world in which we find ourselves. This and one thing more. You will recall that in delineating the challenge which science and technology let loose in the modern world I referred not just to its practical consequences—the division of labor and the necessity for the market—but its deeper spiritual consequences. From the time of Descartes forward modern man has been troubled by what Whitehead called the "bifurcation" in our thinking wherein the sentient self seems to be trapped in its own world of consciousness while "out there" exists a mindless and purposeless world of material being taking the form of

colorless non-sentient atoms, molecules, electrons or what you will, comprehensible only to the sweep of mathematical equations. Indeed in the view of modern behaviorists such as B. F. Skinner that is the only world that exists and all our inner perceptions of color, imagination, memory, love, and free will are simply brain patterns responding to outside stimuli. Man is in the end an automaton or robot.

Yet this view of our condition breaks down on the most cursory examination. There is no way that brain cells can, so to speak, "ooze out" the variegated world of color and shape which we see at first hand, and with which, it must be added, scientific examination begins (we perceive the color red before we locate the lightwave causing it.) It is the contention of Whitehead that this modern view of nature, however necessary as a framework to scientific advance, is fundamentally an *abstraction* from reality, a partial view but by no means the whole truth. The whole truth must include the world from which science starts, the everyday phenomenon of experience. The late W. E. Hocking, Whitehead's associate, reinforces this insight. It is his contention that Christianity, through its "willful curbing of self-will" (as well as by its exclusion of poly-theism which saw a capricious god behind every tree), had much to do with launching Western science on its momentous voyage of discovery. But if science is based on the "will to truth" we cannot exclude will and purpose from our final view of reality. To do so is to engage in a spurious metaphysics that is no part of the mathematical and experimental method. It follows that religion which set the stage for scientific advance may also provide the key to solving modern man's dilemma.

For as against naive materialism religion affirms man's spirituality and freedom to choose, and posits a God endowed with compassion and purpose. Its major affirmation is, to be sure, based on faith, but as Hocking observes, "faith is as natural as breathing" and, indeed, we practice it in a small way every time we cross the street or entrust ourselves to a Boeing 707. Is it really common sense to believe, as economists among others believe, that the mark of man is *purposive* action, yet to deny Purpose to an unfolding universe, so that in the end man becomes simply a blip on a vast and impersonal radar screen? What we are reaching for in any case is not just a standard of conduct but a metaphysics (after physics) which synthesizes and reconciles our total experience. Let us hope that this seminar and the reemphasis of Christian teaching at Hillsdale will speed this process of reconciliation, and that like Virgil and Dante after descending into the Inferno, we shall emerge again to glimpse the stars.