

## THREE



# Beginning with an Exchange or with a Command?

### In the Beginning

Some say the world will end in fire,  
Some say in ice.

—Robert Frost 1968, 220

Although this book is about beginnings not endings I too have a bifurcation to propose. Some propose that the social world of persons begins with a command, and some propose that it begins with an exchange. Adam Smith surely holds with exchange, as he opens his 1776 analysis with an isolated couple, F. Y. Edgeworth's "catallactic atom," exchanging deer and beaver (Edgeworth 1881, 31).<sup>1</sup> Edgeworth's phrase of 1881 recalls Richard Whately's coinage, *katallactics*—"the science of exchange" from the Greek word describing exchange and reciprocity—offered in his 1831 *Introductory Lectures on Political Economy*. Just as surely, Carlyle holds with command, as he defines his Great Man in terms of the worship accorded him by the lesser.<sup>2</sup>

Does not exchange itself presume an ability to command things and thus at least a minimal sort of command over people? If something is mine to exchange, then can I command you to keep off? Is not, then, command foundational? No. Smith knew this answer because his friend David Hume modeled the process by means of which people obtain their right to command things as itself an exchange. In the Humean view, property—this right of a person to command a thing—requires a social exchange; property is a convention with which we buy social peace. Property is not foundational because if a thing were not scarce—and so my ability to command the thing does not

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1. Following nineteenth-century transliteration conventions, Whately and Edgeworth used a *c* to represent the  $\kappa$  in the Greek word for exchange and reciprocity.

2. "Society is founded on Hero-worship. All dignities of rank, on which human association rests, are what we may call a Heroarchy (Government of Heroes),—or a Hierarchy, for it is 'sacred' enough withal!" (Carlyle 1993, 12).

conflict with your ability to command it—then there would be no reason for the exchange and hence no reason for property to exist.<sup>3</sup>

Is there any command that is not based in exchange? What about Jean Bodin's undivided and immortal sovereign? Not if the katallactic analysis is correct. Sovereignty is also part of the process of exchange. Although this, too, is an implication from Hume, perhaps this consequence could not be easily appreciated until Whately added a note in the second edition of his *Lectures* (1832) emphasizing that the science of exchange covers taxation as well. Subjects trade taxes for their government's protection.<sup>4</sup> Whately characteristically made his point pungently when he wrote:

And it is worth remarking, that it is just so far forth as it is an exchange,—so far forth as protection, whether adequate or not, is afforded in exchange for this payment,—that the payment itself comes under the cognizance of this science. There is nothing else what distinguishes taxation from avowed robbery. (1832, 10–11)<sup>5</sup>

I shall let Carlyle's 1833 statement make the consequence as clear as can be:

[W]hoso has sixpence is Sovereign (to the length of sixpence) over all men; commands Cooks to feed him, Philosophers to teach him, Kings to mount guard over him,—to the length of sixpence. (1987, 31)

The universalization of exchange turns hierarchy topsy-turvy. Kings command their intermediaries, and they in turn command the poor, but the poor, through the mechanism of exchange, command kings. How is *that* possible? How can kings command and be commanded? Is that not a logical absurdity?

Of course it is not. Kenneth Arrow created quite a stir in the intellectual world, winning a Nobel Prize in economics in the process, for his demonstra-

3. As far as I know, Hume's theory of property was first explained by Arnold Plant in series of articles collected in Plant 1974. Can society have property with abundance? The "Lockean proviso," the critical step to make property justifiable, requires abundance. In Hume's theory, absent scarcity there is no property (Levy 1992, 94–97).

4. "I had not thought it necessary to observe that, in speaking of exchanges, I did not mean to limit myself to *voluntary* exchanges;—those in which the whole transaction takes place with the full consent of both parties to all the terms of it. Most exchanges, indeed, are of this character; but the case of taxation,—the revenue levied from the subject in return for the protection afforded by the sovereign, constitutes a remarkable exception; the payment being compulsory, and not adjusted by agreement with the payer" (Whately 1832, 10). The argument is explained in detail the next year (Whately 1833, 63–73).

5. I am indebted to Sam Papenfuss for showing me this aspect in Whately (Papenfuss 1998).

tion that majority rule may be intransitive. That is, merely because policy A is selected pairwise over B by majority rule and policy B is selected pairwise over C by majority rule, there is good reason to believe that C can still be selected pairwise over A by majority rule.<sup>6</sup> James Buchanan's comment on Arrow's demonstration, that intransitivity is actually the point of democracy, as it, and it alone, guarantees the absence of hierarchy, has been insufficiently appreciated (1954). In some sense, all of this was intuitively obvious to Carlyle when he described the concept of consumer sovereignty.

One attraction so many "cultural critics of capitalism" feel for Carlyle's criticism of market exchange may be precisely that he recognized that when market exchange enters hierarchy exits. Consumer sovereignty is thus a dire threat to the notion of a political sovereignty in which orders are given from up the hierarchy to be obeyed by those below. We have command without hierarchy, command without foundation. And, for anyone who thinks that the state or society is simply a person writ large, a state or a society without a hierarchy of desires is nonsensical.

We are perhaps currently witnessing the last of the great debates over hierarchy. The hierarchy of race is embarrassed memory. The hierarchy of religion is gone. The hierarchy of government is going. The last hierarchy alive and furiously defended is the hierarchy of culture. And I, who before the Web selected a bookstore to patronize on the basis of the number of Loeb editions it stocked, will address this issue how? This book is about beginnings not endings. And if economics fails to teach us about cost there is nothing it does teach.

### Market Egalitarianism

It is convenient to define a political direction to the debates we shall consider. I think it is completely nontendentious to orient the discussion this way: those who defend property in persons are to the right of those who oppose property in things. Thus, the economists we study who defend property in things and attack property in persons find disputes on both their left and their right. The centrality of economists is easiest to appreciate if one takes seriously Smith's normative assertion that each person ought to have command over his or her

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6. The difficult proof in Arrow 1963 would be a triviality if he had supposed that the democratic process was one of random representation (e.g., as in the election by lot practiced at Athens). No random process can be supposed transitive. It is not therefore an impossibility that Plato's criticism of contemporary democracy reflects knowledge of policy cycles and the like (Levy 1992, 135–54). One might view Arrow's theorem model theoretically as a demonstration that both models of democracy—election by lot and election by vote—share intransitivity.

time and the things that can be acquired in exchange for that time.<sup>7</sup> This doctrine we might label market egalitarianism. This doctrine, property in things not property in persons, will involve those who follow Smith in controversy from two directions.

Market egalitarianism has an intimate relationship with a broad form of utilitarianism. For utilitarians, there is something deeper in the moral universe than existing property rights; there is human happiness. Property for a utilitarian is not part of the furniture of the world; some forms of property are helpful to human happiness while other forms are impediments. A utilitarian supports the former and opposes the latter.

Since there are two debates involving economists, one pointing right and one pointing left, is there an unambiguous way to come to a judgment of the net effect of these controversies? Not for the last time, I shall invoke, hypothetically, a principle that can be attributed to Karl Marx. If the point is to change the world, then the answer about the real importance of classical economics is clear as long as we get the real world right. And although there were models of socialist societies—the various utopian communities are a favored topic of scholarship—there were no socialist societies to change. The existing eighteenth- and nineteenth-century alternatives to markets were societies with racial slavery. Thus, to the extent that classical economics was used in the struggle to replace property in persons with market exchange, in the space of the real world the impact of classical economics was to move the world to the left. The fact that there are few alive to explicitly defend racial slavery is evidence only of how complete that triumph has been. Classical economics remade the world.

Also, and not for the last time, I shall involve an idea attributable to George Berkeley. If we unreflectively judge the past in light of our status quo, we are likely to take as “conservative” those forces that produced the status quo. Successful radicalism tends to be invisible. One chapter will examine Berkeley’s argument that by ourselves we cannot tell the difference between a big thing and a small thing when these things stand at different distances from our status quo. If we cannot tell the difference between big and small, how can we tell the difference between right and left? Since we live in a world of markets,

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7. “The property which every man has in his own labour, as it is the original foundation of all other property, so it is the most sacred and inviolable. The patrimony of a poor man lies in the strength and dexterity of his hands; and to hinder him from employing this strength and dexterity of his hands; and to hinder him from employing this strength and dexterity in what manner he thinks proper without injury to his neighbour, is a plain violation of this most sacred property. It is a manifest encroachment upon the just liberty both of the workman, and of those who might be disposed to employ him. As it hinders the one from working at what he thinks proper, so it hinders the others from employing whom they think proper. To judge whether he is fit to be employed, may surely be trusted to the discretion of the employers whose interest it so much concerns” (Smith 1976a, 138).

this we can reach out and touch. But the institution that the Carlyleans defended as superior to the market we understand from experience is found in the dim, distant past. What exactly was it? Would it stand to our left or to our right? Is it more or less constraining than market order?

The economist's debate with the proslavery right shows in the oblique method by which the economists responded to the authors of the antimarket novels, Charles Dickens and Charles Kingsley. The Dickens-Kingsley position on the dreadful fate of British workers is voiced by a kindly slave owner in Harriet Beecher Stowe's *Uncle Tom's Cabin*. When Richard Whately reviewed *Uncle Tom's Cabin*, statements of this character were singled out for attention. Literary scholars who write as if they believe attackers of markets and defenders of racial slavery had nothing in common seem not to have noticed that this is how an economist responds to the industrial novels.

### *Attack from Their Right*

Market egalitarianism is inconsistent with a slavery that gives one person the right to command another person's time. Commanding time means commanding things; market egalitarianism is inconsistent with a slavery in which the slave's acquisitions are not his or hers to command.<sup>8</sup> Carlyle's life's work, as I read it, was an attempt to develop a system of hierarchical obedience to oppose that which he pilloried as the "cash nexus" of market exchange. Of course, the theorist of hierarchical obedience is no more compelled to defend existing hierarchical institutions (e.g., American racial slavery) than the theorist of competitive markets is compelled to defend existing market institutions. Adam Smith, to give the greatest example possible, claimed that all too many of the existing markets of his time were only grotesque parodies of what he would defend as ideal. The shortcoming he found was largely the failure to conform to market egalitarianism.

We can appreciate Carlyle's idealization of hierarchy best when we find his industrious disciple Charles Dickens offering plans to "reform" American racial slavery. In contrast, those who idealized exchange had no plan to reform slavery. Five letters, appropriately arranged around a space, would exhaust their insight as to how to bring existing slavery into correspondence with the ideal. These letters are END IT. Thus, in the debate between the abolitionists and the "reformers" of slavery, we can best see the idealized hierarchy; a slavery with-

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8. One learns this from *Uncle Tom's Cabin*, as its best commentator explains: "You [Stowe] are careful to publish the fact that Mr. Legree took possession of the wardrobe of Tom, which, it seems, was rather abundant; that he made Tom divest himself of the handsome suit of clothes in which he bought him. . . . As a matter of course, if a slave owns not himself, he can own nothing else; and this is the truth, and is in exact accordance with the laws of slavery. Every thing pertaining to the slave is his master's" (Brimblecomb 1853, 102–3).

out “abuses.” In the view of those who idealized exchange, slavery is an abuse of human nature itself.

It will be apparent, if it is not so already, that I view the world in competitive terms. Philosophers offering a vision of a world of exchange compete with those offering a world of hierarchy. So stated, this competition seems preposterous. Why would anyone trade a position as a free worker to become a slave? But that wasn’t the actual deal on the table. Carlyle offered the chance to be a master. And how does it happen that we can all be masters?

Here is the trick. All *Christian white* people can be masters.<sup>9</sup> As long as there are enough black slaves to harvest the spices we want, what does it matter if there are few people higher still? And there would be black slaves for all if those beastly economists and their Christian allies did not muck up the natural order of things by going around and freeing the black slaves. Why do economists and their Christian allies care so much about people who do not look like us, who do not believe like us and are so far away?<sup>10</sup> Carlyle’s pet phrase is “charity begins at home.” Perhaps it needs to be said that it also ended there.

### *Attack from Their Left*

What follows is an attempt to come to an understanding of how those who hold with market egalitarianism were attacked from their right. But of course market egalitarianism will not be satisfactory to those who hold with a more thoroughgoing egalitarianism. The command over things that property presupposes restricts the access of other persons to those things. This command over things William Godwin proposed to abolish. This debate has been heavily studied and is a matter of textbook record.

Five assertions underlie the textbook view of this debate, which informs far too many claims about the “fact” of the dismal science. (1) It begins when William Godwin proposed to abolish property and government as a way to bring about an egalitarian society. (2) T. R. Malthus’s principle of population was a response to Godwin, as it made the claim that social hierarchy was natural; that is, that the condition of the poor is fixed by their choices. (3) In the context of the French Revolution, Malthus’s doctrine served to defend social hierarchy as natural. (4) The later economists, David Ricardo in particular,

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9. Just what it means to be “Christian” will be addressed later. It’s not “man and brotherism.”

10. The political use of racial doctrine explains the oddity that the racism presented was in awfully stereotypical form, which admits of no exceptions to generalizations. It is not presented in statistical form, where of course there is a distribution of characteristics. Statistical form admits of outliers/exceptions that would ill serve the political purpose of justifying the slavery of the “Other.” Perhaps an Other of ability is less destined for slavery than one of “us.” That is a dangerous thought. I am indebted here to a clarifying conversation with Bryan Caplan.

used Malthus's fixed-wage theory as the central empirical regularity on which to build a distribution theory. (5) The dismal science is a judgment offered by egalitarians about the claim of the natural hierarchy of the type described in claims 2–4.

The textbook view of the debate has far-flung consequences. To offer one that is relevant to what follows, it can be used as evidence for the view that “art moralizes.” Great art makes great human beings, so art ought to be in a hierarchical relationship with market activity. How does this follow from the textbook view? The *critics* of economists included the greatest literary artists of Victorian Britain: Carlyle, Dickens, Kingsley, and Ruskin. Their art gave them a vantage point from which the naughty policies of the economists could be exposed. The alternatives that these literary artists supported are vague in the textbook account.

Malthus's defense of property in a world without abundance seems to me to constitute a nice instance of Hume's theory of property. It ends the way such debates usually do: one does not get rich by betting against David Hume. By accepting as fact Malthus's account of American birth rates and choosing to save his dreams at the expense of life, Godwin gave up, his friends judged, and Malthus discontinued arguing against the nonproperty ideal in late editions of his *Population*. That argument ended (Levy 1999b). And this has absolutely nothing to do with the dismal science.<sup>11</sup>

The Malthusian controversy does, however, have an important feature in common with the debates over hierarchy that we shall study. It is very difficult for readers trapped in the present to see how radical the position of the economists was. Here is another instance in which successful radicalism is invisible. (Levy 1999b). Here, too, successful radicalism changes the status quo, from which we view the past. Just as it seems hard to understand why Protestant Christians would oppose birth control, it seems hard to understand why anyone without a financial interest would favor racial slavery. But if successful radicalism is invisible to someone who judges debates in terms of our status quo, what does that do to our understanding of the opponents of the radicals?

The antislavery coalition included both neo-Malthusians (the contemporary term for someone pro-birth control), utilitarians, and Christian thinkers. If we do not understand the depth of the coalition disagreement over the issue of sexuality, happiness, and divine commands, we will fail to wonder about the importance of an issue that would find evangelical Christians and utilitarians in alliance.

Consider the fact that when Harriet Beecher Stowe toured England what she wanted most was to meet with Lord Macaulay. Vast was his personal

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11. The issues of getting classical distribution theory right, textbook claims 2 and 4, are technical (Hollander 1979, 1997; Levy 1992, 1999b).

stature, as befits one who with one speech slashed five years off the transition of black West Indian slaves to market freedom, but he also was connected by memory to both Wilberforce and the early days of the *Edinburgh Review*. Stowe talked about Kingsley's and Dickens's views on "white slaves" with Richard Whately, the Church of England's archbishop of Dublin. Needless to say, such a pious Christian would not have encountered John Stuart Mill. But after the American Civil War there would come a time when her coreligionists would find themselves in dire need of allies to defend the importance of the rule of law for people of all colors. Foundational debates would be set aside during the moral emergency.

The attack on economics with which I am concerned comes from those who put forward an idealization of command, property in persons when it comes to that, to combat the classical economist's idealization of exchange and market egalitarianism. Carlyle is the great name here. Those in an existing hierarchical society, the American South of the 1850s, could acknowledge him as a theorist who defended slavery because, and only because, he thought it best. He was not a bought advocate for the position. He was not a slave owner. As Mill said in his response to the "Negro Question," Carlyle's essay provided the slave owners with an unbelievably important gift—an honest man defending their institution. And Carlyle had many friends who would talk like him.

And how is this remarkable feat of defending racial slavery to be accomplished? First, one "proves" that the slaves or potential slaves are not fully human. Second, one acknowledges that, while there are certain abuses that existing racial slavery allows, a suitably reformed slavery could make the slaves or potential slaves more nearly human.<sup>12</sup>

The question that perhaps the previous paragraph raises is: what has this to do with economics then or now? How would an economist be involved in a debate over who is or is not human? This is as good a place as any to begin the explanation.

As a way of making sense of both Smith's language and our difficulty in reading it, I propose to first describe what I take to be Smith's vision. Over half a century ago, Joseph Schumpeter argued for the importance of describing the "preanalytic vision" of the thinkers we study.<sup>13</sup> I believe this is right because I

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12. The defense of the system of slavery acknowledging the "abuses" is confronted in Hill, Whately, and Hinds 1852, 244–45.

13. "[A]nalytic effort is of necessity preceded by a preanalytic cognitive act that supplies the raw material for the analytic effort. In this book, this preanalytic cognitive act will be called Vision. It is interesting to note that vision of this kind not only must precede historically the emergence of analytic effort in any field but also may re-enter the history of every established science each time somebody teaches us to *see* things in a light of which the source is not to be found in the facts, methods, and results of the pre-existing state of the science" (Schumpeter 1954, 41).



think it is easier to let go of a model than a vision.<sup>14</sup> “Model” seems to be a more flexible description of what I think Schumpeter is after with his word *analysis*.<sup>15</sup> Whether or not Smith’s vision can be represented as a model—is it consistent?—is an open question I shall address. Without consistency, a vision is little more than an optical illusion.

Smith’s vision is one of fixed human beings whose continual exchange produces the world of flux. In this moving world, the human alone is the constant quantity. Over the long years since Smith wrote, an economist can almost be defined as someone who participates in Smith’s vision. If we disagree with Smith, it is at the level of the model not the vision. Without considerable effort, it is difficult to recognize how someone like Carlyle could disagree at the level of vision but still use—or pervert—Smith’s model.

In Smith’s vision, the exchanging human is the one unchanging element. This raises an obvious question: what counts as human? Here Whately gave an extraordinarily interesting gloss on Smith’s own answer: to be human is to exchange. It was in this context that Whately proposed *katallactics* as the right name for political economy.

There is for Carlyle something terribly empty in Smith’s vision: there is no natural hierarchy in the social world. While modern economists quarrel with Smith for having too much structure in his model, Carlyle quarrels with Smith for having too little structure in his vision. Smith’s vision does not encompass race in any “natural” sense. Of course, Smith used the word, for example, when he begins a famous sentence with “That unprosperous race of men commonly called men of letters,” but, as the sentence suggests, *race* among humans for Smith is just a word, something conventional, not part of the nature of things. The differences among nations and peoples are the result of their experiences and incentives. What distinguishes Carlyle from his lesser followers is an ability to participate in Smith’s model while denying the vision.

The Smith-Whately test for the human can be sketched as follows:

To be human is to accept an advantageous trade.

It is entirely in this spirit that Carlyle then proposes

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14. “It does require maturity to realize that models are to be used but not be believed” (Theil 1971, vi).

15. Economic terminology seems to use *model* as the narrowest interesting aspect of language, for example, what one proposes to estimate by econometric methods. The terminology of logicians, on the other hand, uses *model* as the widest interesting aspect of language, that is, a model is a collection of sentences from which all the other sentences in the language cannot be deduced. This elegant definition rules out an inconsistent collection of sentences (Chang and Keisler 1973, 9).

Behold: X refuses trade  $\alpha$ ,

and then he draws the inference

X is not human,

whereas the economists—Mill and many others—drew the inference

Trade  $\alpha$  is not advantageous.

Of course, much more was said, as we shall see. Carlyle wanted to tell a story about why races defined by X required slavery for their humanization. The economists wanted to talk about the trades  $\beta \dots \omega$ , which were in fact accepted by the Xs. But all this in due course.

Races that fail the Smith-Whately test in Smith's *Wealth of Nations* are in fact dogs. Dogs don't trade because they do not have a language in which to express the concept "fair." Carlyle concluded that races of "humans" who failed his version of the test can be treated as if they were dogs. Thus, races that fail the Smith-Whately test lose the claim to a shared moral community with humans. When choosing between helping humans and nonhumans, it is hard to argue that we ought not to help the human. The slogan Carlyle and his friends used to combat a vision of moral universality is "charity begins at home." This was not meant as a joke.

Idealized trading of the sort supposed for market egalitarianism is a relation between moral or legal equals. The idealization of competitive exchange I shall label the "katallactic moment" in economics. It is easy to appreciate that from a vantage point that idealized trade between equals, slavery would be viewed as the ultimate perversion of a social order. It will then be obvious why there was contention between economists of this period and those who presented an idealized slavery as a paradigm of human relationships.

### In Coalition with Biblical Literalists

Carlyle's attack on economics is framed as a lecture at Exeter Hall—the London center of organized evangelicalism. The public choice problem is to make sense of the coalition of Christian evangelicals and economists that (1) ended the Atlantic slave trade, (2) abolished slavery in the West Indies, (3) maintained British neutrality in the America Civil War, and (4) fought against the death of the rule of law for persons of color in Jamaica. There would be no public choice issue if all the economists were evangelical Christians. Precisely because I do not wish to make this case, I owe the reader the evidence I know that would be helpful in making such an argument.

One ought to focus on two figures in the Clapham sect. The first is everyone's idea of a great economist: Henry Thornton. He brings the same spare elegance in his *Family Commentary upon the Sermon on the Mount* that he did to *Paper Credit*. The second is Macaulay, who I am prepared to claim made important contributions to economics proper. And with all the new attention paid to Christian economics of the period, a sizable collection of interesting and important antislavery Christian economists could be collected across the century.<sup>16</sup> Whately would be important, and with Whately comes Nassau Senior (Schumpeter 1954, 483–84) and the Whately lecturers.

I do not take this approach because I see in the desperation of evangelical Christians to bring the rule of law to people of all races a willingness to cooperate with other moral universalists. The consequence of this cooperation was to bend the Christian understanding of sexual morality, and with this bending our language was remade. Important words have seen their meanings change drastically in the last century. For instance, in the language community in which I live the word *economist* can be said to mean something akin to “a student of markets, that is, someone of the right.” In the language community that I study, the word *economist* can be said to mean something akin to “a student of markets, that is, someone of the left.” Here *liberal* means “unambiguously promarket.” Pregnant with deep consequence is a drastic switch in the meaning of *birth controller*. In the language community in which I live, it means “an advocate of responsible behavior, someone aching dull.” In the language community that I study, it has an entirely different flavor, that of “an atheist, someone not to be trusted in the company of young women” (Holden and Levy 2001).

Watching the meaning of a word flip-flop as we move among language communities gives independent evidence that difficulties are waiting for us. W. V. Quine's research into language and logic has forewarned us of this theoretical possibility by means of his holistic doctrine: the meaning of a word is defined in the whole of the language. This general equilibrium approach to language braces us for the confrontation with what mathematicians have taught us to call a “high-dimensional” problem.<sup>17</sup> Each of the difficulties I have mentioned, and the ones to come, are dimensions. High-dimensional problems are generally intractable. Thus, my (risky) simplification of the problem—focusing narrowly on racial slavery instead of broadly on race and slavery—buys tractability by lowering the dimensionality of the problem.

It is common knowledge that the evolutionary biologists Charles Darwin

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16. The reader who wishes to pursue this line of inquiry will find the learned work of Salim Rashid and A. M. C. Waterman of enormous help (Waterman 1991).

17. Richard Bellman (1958) was enormously important in terms of focusing attention on the dimensionality of a problem. His dynamic programming procedure is a method by which a higher dimension problem can be reformulated as a sequence of lower dimension problems.

and T. H. Huxley had some disagreements, as to the origin of species, with Christian literalists. Faded from this stock of common knowledge is the unspeakability of birth control during much of the nineteenth century, signifying as it did the deepest form of atheism.<sup>18</sup> Before the decriminalization of the dissemination of birth control material in 1877, I know of only one thinker whose ideas live outside the memory of specialists who was willing to publicly support birth control: John Stuart Mill.<sup>19</sup> Mill's atheism was public and pungent: he dared God to send him to Hell in case the Divine Calculus did not, in fact, correspond to the utilitarian alternative. (The narrow Utilitarianism of the neo-Malthusians will be later distinguished from broad utilitarianism.)

The last of the antislavery coalition's battles was its long losing fight to bring Governor Eyre to justice. The vast majority of the members of the Jamaica Committee were Christian evangelicals, and 10 percent were clergymen.<sup>20</sup> These were the spiritual heirs to the biblical literalists, who, persuaded that the Word of God reveals Adam and Eve to be the parents of the black and the white, concluded that racial slavery is an entirely wicked thing. The questions the evangelicals asked on behalf of black slaves were "Am I not a man and a brother?" and "Are not Adam and Eve parents of us all?" That both Darwin and Huxley joined and aided the Jamaica Committee is a wonder to behold. More wonderfully still was the committee's unanimous vote to elect Mill its head.<sup>21</sup> Pious, respectable Christians of their own free will were electing the Utilitarian of their time to speak for them?<sup>22</sup>

This is where I think our language was bent. Of all the Christian churches, it was the ultrarespectable Church of England, not a backwoods American sect of snake handlers, that first accepted the Utilitarian doctrine that birth control

18. The dissemination of birth control material in Britain was not decriminalized until the 1877 Bradlaugh-Besant trial. The reader who is under the impression that all "progressives" supported birth control is misinformed. Marxist leadership was in permanent, announced opposition (Holden and Levy, 1993). For the neo-Malthusians, Darwin's theory of natural selection became *the* alternative to talking about preventive checks to population. Roger Manvell (1976, 100–101) gives texts in which Darwin's venture into "social Darwinism" is sharply criticized. The inability of textual specialists to understand the difference between a neo-Malthusian and a social Darwinist suggests strongly that the relative cost of reading and writing has not attained a social optimum.

19. His support of birth control as a teenager distributing Francis Place's pamphlets cost him an encounter with the police. One reads jokes about this in the magazines of the time. His support continued into the magisterial *Political Economy*.

20. "[T]he Jamaica Committee had *clergymen*; thirty-two of the original 300 members of the Committee were ministers" (Semmel 1962, 64).

21. The initial head of the Jamaica Committee, Charles Buxton, resigned over differences in tactics. Was it prudent to attempt to prosecute Eyre for murder? "To no one's surprise, and amid great applause, John Stuart Mill was unanimously elected" (*ibid.*, 71). The fact that no one was surprised is worthy of reflection.

22. The four adjectives Semmel uses to describe the committee members are *sober*, *respectable*, *pious*, and *serious* (*ibid.*, 64). I believe that the second and third were never used to describe a public advocate of birth control until deep into the twentieth century.

within marriage is a moral act.<sup>23</sup> The evangelical pro-contraception forces, when the votes were counted at the decisive Lambeth Conference in 1930, were led by H. H. Henson.<sup>24</sup> In 1936, Henson would write an introduction to the *Yellow Spot*, an early documented account of the murderous policy at Dachau.<sup>25</sup>

If economic theory, developed by those economists more Utilitarian than Christian, provided weapons to evangelicals, could these weapons be used without some effect upon their users? Settled doctrine it is among Zen martial artists that in mastery of a weapon the weapon and the master merge.<sup>26</sup> By their mastery of Utilitarian weapons were the Christians thereby mastered by Utilitarianism? So I would conjecture, and mastered by this conjecture I shall emphasize the importance of the non-Christian Utilitarians in the coalition.

What united the coalition, I shall argue, was a shared moral universality encapsulated in a reciprocity norm. The two most important reciprocity norms proposed at the time were the Golden Rule of Christianity and the Greatest Happiness Principle of Utilitarianism. It will be important in my argument that major thinkers in the coalition agreed that these versions were formally identical. The “formal” is necessary because it lets us ignore the substance of what we mean by happiness. Is happiness more than what is chosen? Over that issue, the coalition members debated heatedly among themselves. When the issue is slavery, where the range of choice is drastically attenuated, the coalition’s disagreement over the substance of happiness will not matter.

If the reciprocity norm were followed, then what? As partial compensation for my inattention to Thornton elsewhere, I shall give his answer. First, markets work as the textbooks claim; second, slavery ends.<sup>27</sup> To get at the intra-coalition logic, I shall work through Smith’s account of the type of morality requisite for a market order. Smith argues that one needs a reciprocity norm

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23. John Noonan (1965, 409) emphasizes the importance of the Lambeth vote of 1930 precisely because the Church of England was so close theologically to the Catholic Church.

24. H. H. Henson (1942–43, 2:270–75) frames the debates at Lambeth in 1930 in terms of Evangelicals versus Anglo-Catholics. He had previously been involved in a dispute that threatened to turn into Gorham II (252–55).

25. *Yellow Spot* is back in the news in an important context. Did T. S. Eliot have a role in *Criterion*’s dismissive review? That he did is vital to the argument in Julius 1996, 167–73.

26. The classic reference is Herrigel 1953, with D. T. Suzuki’s authoritative commentary.

27. Here is what a reciprocity norm does for market transactions: “If the buyer and the seller would put themselves in the place of each other; then, the fraud and iniquity of trade would cease.” Here is what it does for slavery: “If all those, who possess power, would imagine themselves to be in the condition of him who is subjected to that power; if the slave owner would imagine himself the slave; and the oppressor suppose himself the oppressed; and would endeavour to do unto others whatsoever he would that others (if they were in his place) should do unto him; how many millions of mankind would experience a termination of their sufferings” (Thornton 1837, 123). The reader will notice that Thornton has used a Smithian sympathetic move to explicate the Golden Rule of Christianity!

and not much else. Both parts of the argument are important because the conjunction tells us how “thick” the morality has to be to hold society together.

### Race, Sex, Gender, and Belief

Midcentury debates over socialism will enter my account only obliquely because an occasional theorist viewed slavery and socialism as kindred alternatives to the market.<sup>28</sup> I shall deal with neither racial issues per se nor issues of slavery outside a racial context.<sup>29</sup> Rather, I focus on the narrow issue of racial slavery because, as the argument was made, some races were proposed as natural slaves and some as natural masters.

Racial slavery also had a gender component: masters could use slaves sexually, and slavery made marriage tenuous.<sup>30</sup> When writers compare the fate of “white slaves” under existing markets and black slaves under the existing alternative to markets, it makes a difference whether they talk about men or women. No allegations were made that the masters had an interest in sexually using male slaves. Then, as now, rape is hard to observe and easy to deny. But Malthusian theory gave economists rather subtle tools with which they could point to the observable consequences of sexual slavery.

Malthus himself, like Smith, followed European convention with the analytical supposition that a man could only have one family at a time. Conse-

28. Nassau Senior made the profound analogy between slavery and the Poor Law in an 1841 article for the *Edinburgh Review*. In either alternative to a market, one works for someone else. “But mischievous as slavery is, it has many plausible advantages, and freedom many apparent dangers. The subsistence of a slave is safe; he cannot suffer from insufficient wages, or from want of employment; he has not to save for sickness or old age; he has not to provide for his family; he cannot waste in drunkenness the wages by which they were to be supported; his idleness or dishonesty cannot reduce them to misery; they suffer neither from his faults nor his follies” (1865, 47). “We have shown that during the third period [of the English Poor Laws] an attempt was made to give to the labourer a security incompatible with his freedom; to provide for him and his family a comfortable subsistence at his own home, whatever were his conduct, and whatever were the value of his labour. And we have shown that this attempt succeeded in what have been called the pauperised districts, and placed the labourer in the condition, physically and morally, of a slave;— confined to his parish, maintained according to his wants, not to the value of his services, restrained from misconduct by no fear of loss, and therefore stimulated to activity and industry by no hope of reward” (115).

29. The problem of transportation of convicted prisoners to Australia was posed as a problem of slavery by Whately (1834). This example is actually quite elegant because it considers a pure slavery purged of injustice and racial hierarchy. Indeed, to the extent that crime is a voluntary act and slavery the known and settled punishment, then this sort of slavery could be seen as voluntarily chosen by the criminal on a probabilistic basis. Larry Moss asked about discussions of voluntary slavery in the period.

30. T. F. Buxton—Wilberforce’s political wizard—judged that emancipation had succeeded this way: “The best news continued to arrive from the West Indies of the industry and excellent behavior of the negroes. Crime had rapidly diminished; marriages had considerably increased” (1925, 167).

quently, the marriage decision was modeled as essentially one of timing: early marriage or late? Smith himself had made the pretty point that the value of children in America was such that, unlike her situation in Europe, a young American widow with children could readily attract a new husband using their labor as dowry.

Harriet Martineau, an avowed Malthusian, pointed out that the institution of racial slavery allowed a man *multiple* families—one white and the others colored. Proslavery writers had pointed to the paucity of southern prostitution, vis-à-vis northern standards, to argue for the moralizing effect of slavery. This very evidence Martineau used to make her case. She patiently explained to the analytically challenged how the fact that colored children can be sold changes a man's sexual rental-purchase decision. Why would a man rent a woman by the hour when he can buy her for a lifetime and keep their children to sell? Thus, the relative infrequency of southern prostitution becomes, post-Martineau, the compelling evidence of the massive hidden economy of interracial forced sexuality.

I am at a loss to explain why modern economists not do take Martineau seriously. The kindest explanation I can provide is that she handled her tools better than her readers are able to appreciate.<sup>31</sup> To remedy this underestimation, all one need do is read those who wrote to protest that what she said was true. No, that sentence is correct as written: I did not omit a “not.” That is *exactly* what her enemies said: she was horrid because she told the truth. When rhetorical flourishes like this are employed, one might suspect that things are starting to fall apart.

We read in *Revelation* that following the opening of the seventh seal there will be a silence; it will last for half an hour, and then the angels of destruction will remake the world. In America, the silence lasted closer to fifteen years until Harriet Beecher Stowe, who as a young woman had been compared to Martineau, told her stories of sexual slavery. Then the remaking began.

The dimensions we confront do not end here. The idealization of slavery we find in Carlyle supposed that society embodied a natural hierarchy of ability that was held together by shared belief. Carlyle's slogan is the “gospel of labor.” One owed obedience to those up the hierarchy and charity to those down the hierarchy. This is a rather “thick” sort of belief—there are lots and lots of things in the belief claims. This requirement for a thick morality must be contrasted with a claim that a desire for approbation and a reciprocity norm are really all that are needed in a system of morality to hold a market order together.

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31. George Stigler (1949, 26–36) argues persuasively that the classical economists were at their best when it came to specific problems. If we are not interested in Martineau's problem, then it behooves us to find someone who was.

It is helpful to consider the way in which Smith treats moral questions as public opinion taken in an equilibrium state.<sup>32</sup> If morality is nothing more than public opinion, appropriately conceived, then we have as “thin” an account of morality as can be. Everyone pays attention to public opinion, so if morality is built out of public opinion then we do not really have to worry about nonbelievers.<sup>33</sup> The morality need not be populated with gods, demons, essences, afterlives, or a chain of being.<sup>34</sup> In point of fact, it might have such entities. But then again it might not. Smith looks to America to see an idealized religion emerging from a competitive process (Levy 1992).

The thinness of the morality required in economic accounts for a market order is interestingly close to the sort of belief claims that one might find pressed by the founders of the English Reformation. If one believes that the Bible is the Word of God in its infinity, but one also has a reasonable view of finite human capacities, then it is an obvious inference that we are all going to come to different conclusions as a result of our encounter with the divine.<sup>35</sup> We are going to get it wrong because the finite cannot grasp the infinite. There will be many interpretations; what persuades you will not necessarily persuade me. All that one can hope for is a serious inquiry. The thinness of what a Christian evangelical can mandate for belief and the thinness of what a Smithian must assume in order to give stability to a market order give us insight into how the antislavery coalition was linked.

High-dimension problems are full of surprises. The doctrine required for inclusion in the Church of England is a political matter. To the extent that church politics are interwoven with antislavery coalition politics, startling things might happen. Those who had hitherto minimal interest in religious disputes might intervene massively on the side of their coalition partners.<sup>36</sup>

32. Wendy Motooka describes contemporary unhappiness with the thinness of Smith's account (1998, 198–230).

33. Even economists pay attention to our citations. Journals and economics departments are ranked by citations. It is an amusing empirical illustration of the principle of rational choice scholarship that the competing rankings of departments are sensitive to the current departmental address of the author (Feinberg 1998)! One behavioral move in economics of economics is to posit citation-maximizing behavior (Levy 1988a; Feigenbaum and Levy 1993).

34. There is a reason why Smith was Kant's favorite among the British moralists. The major difference between the two is that Kant allowed for a rich set of infinities that would be precluded to Smith as a follower of George Berkeley (Levy 1988b).

35. Exodus 33:20: “Thou canst not see my face: for there shall no man see me, and live.”

36. Consider the helpful account of the Gorham judgment in Leavis 1989. While she stresses the importance of Whately (then archbishop of Dublin), she overlooks the role of John Bird Sumner as archbishop of Canterbury in forcing the decision. Whately and Sumner are of course the two premier Christian Malthusians of the period. Her judgment is “It must be added to the credit of the Church, and characteristic of its traditional desire, in opposition to Roman Catholic dogmatism, to leave as much freedom as possible for individual interpretation of its theology, that though the case was adjudged to Gorham, the *subject* of it was never settled, and no the-



### What Is So Hard about That?

All of this is, I claim, rather easy to see if one bothers to read the debates of the time. But most of this is impossible to find if one reads the modern scholarship on classical economics and its Victorian literary critics. Now why might that be? To this metatheoretical question we turn next.

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ological ruling was given" (3:45). The case was never about whether Church doctrine was Catholic or Calvinist but whether it was Catholic or open. Here is the glossing of Gorham's advocates', which stresses that the issue was a metatheological one: "Real Argument of Mr. Gorham's Counsel, that the Reformers left the Doctrine of Regeneration an open question" (Moore 1852, 249). Whately (1850, 6–7) began his argument by pointing out that the Anglo-Catholics responsible for the celebrated Oxford *Tracts* claimed a toleration for their views that they would deny to Gorham's.