

## THOMAS CHALMERS AND THE CIVIC VIRTUES<sup>1</sup>

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### 1. Introduction

At the height of his career, between 1830 and 1845, Thomas Chalmers was one of the most important figures in Scottish society. A minister of the established Church of Scotland, Professor, first of Moral Philosophy at the University of St Andrews between 1823 and 1827, then of Theology at the University of Edinburgh until 1843, and the leader of the Evangelical Party in the Church's Courts, he was a considerable political influence, whose many campaigns had in common the theme of ensuring that the church would be able to exercise a beneficial influence upon society. Trained initially as a mathematician, he developed an interest in political economy, taking this as the subject of his first book, Chalmers (1808). It is argued below that throughout his career, Chalmers approached many social problems as if they were primarily moral and economic in nature.

Since his death in 1847, assessments of his career have diverged considerably. From the hagiography of his contemporaries (Hanna, 1851), through to what amounted effectively to an official biography (Watt, 1943), many authors have treated Chalmers as an heroic figure, although one that, as Cheyne (1999), suggested, left a relatively modest legacy. The definitive appraisal is probably still that of Brown (1982), who demonstrates clearly Chalmers' important role in debates within ecclesiastical and political debates in both Scotland and England, and who characterises his life's work as a final, vain attempt to establish a Godly Commonwealth, a society in which civil and religious authorities would each have had their own spheres of sovereignty, with the church having responsibility for the delivery of most social services.

This paper takes much the same position as Dow *et al* (2003) and McCaffrey (1981: 33), that as "an essentially eighteenth-century mind grappling with problems which increasingly required the attention of nineteenth century specialists, he mirrored the conflicts and inconsistencies of the transition period," best understood as working within a peculiarly Scottish tradition of intellectual enquiry. Dow *et al* (2003) identifies this tradition within a distinctive epistemology associated with the democratic governance traditions of the Scottish churches and universities. In this reading, attempts by Hilton (1986) and Waterman (1991a) to locate Chalmers within the contemporary, English school of Christian political economy are ultimately unsatisfactory because they do not take full account of many of the influences shaping Chalmers' thought.

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<sup>1</sup> Paper prepared for the meeting of the ACE (UK) Workshop, Cambridge, July 2008. Earlier versions of this paper were presented at the January, 2008 meeting of the Association of Christian Economists in New Orleans and at a seminar at Heriot-Watt University. This paper has benefited from comments from Sheila Dow, Deirdre McCloskey, Jacques Méhitz, Patrick Raines and John Sawkins, all of whom I thank. Remaining errors are my own.

For the purposes of understanding Chalmers' place in the development of political economy, there are two important implications of this location in the broader history of ideas. Firstly, as argued by Dow *et al* (2003), Chalmers did not accept utilitarian underpinnings for economic analysis, but continued to regard political economy as a branch of moral philosophy. This paper places Chalmers' writings within the tradition of virtue ethics, pointing to the particular role of temperance in his thought.<sup>2</sup> For example, Chalmers (1832) characterised temperance for owners of land and capital as withdrawal from expenditure on luxuries. More broadly, Chalmers, (1820) argued for the propriety of not participating in sensual pleasures and conspicuous consumption, where these are generally tolerated by the commercial classes. For working people, temperance appeared in Chalmers (1826, 1832) as delay of marriage, or, more precisely, procreative sexual activity. Thoroughly convinced of the truth of Malthus' analysis of population, he considered such preventive checks as necessary to prevent population expanding until the point at which subsistence is barely possible. For Chalmers, his purpose was to perfect Adam Smith's system of political economy, using Malthusian principles.<sup>3</sup>

Secondly, in almost all of his writings that touch on political economy, but especially in Chalmers (1826, 1832) he argued that social institutions should be managed by an Established Church<sup>4</sup> in order to guide individual behaviour and deliver the functions of local government. As clearly identified by Leathers and Raines, 1999, he advanced the Establishment Principle to overcome probable market failures in the provision of religious services, both in scale, but also in terms of quality.<sup>5</sup> It is

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<sup>2</sup> McCloskey (2006, 2007) argues for the continued importance of virtue ethics as a foundation of economic analysis, embedded in the approach of Smith (1759).

<sup>3</sup> See in particular Chalmers (1832: I, 72 – 73 and II: 28).

<sup>4</sup> The concept of Establishment for Chalmers was very different to the current use of the term in the economics of religion. It is not, as Barro & McCleary (2003) presume, a 'state' church. Within the context of Scottish reformed theology, there was a tradition of 'two kingdoms' going back to Knox and Melville in the sixteenth century (and of course grounded in the theology of Augustine's City of God). Civil and religious society co-exist, neither is the legal superior of the other, and both are sovereign in the areas of their own competence: secular matters for the state, and spiritual matters for the church. Fry (1987) argues that following the Treaty of Union (1707), many institutions in Scottish society effectively retained sovereign authority (including the hereditary jurisdictions of Highland landlords, and the College of Justice or supreme court, as well as the established Church of Scotland, meeting in General Assembly), and that during Chalmers' life, the Church of Scotland still asserted the "Crown Rights of the Redeemer" in all spiritual matters. As Fry (1993) demonstrates, the relation between Church and State came under pressure, with a crisis developing following the civil courts' judgment in the Auchterarder case (1838), that Church legislation reforming the call of a parochial minister violated civil rights of the parish's patron and his nominee. By 1843, Brown (1999) argues, the doctrine of absolute sovereignty of the Crown in Parliament over the Church was unambiguously recognised in Scots law. The Church split, with those who accepted the right of the Courts to determine the limit of the Church's sphere of sovereignty remaining within the established church, and the rejectionists quitting to form the Free Church of Scotland. Both parties continued to adhere to the Scottish notion of the established church, able to manage its own affairs independently, supported by statutorily defined endowments, and providing the ordinances of religion across the country through a parochial ministry. In this context, it is interesting to note that the Free Church of Scotland received substantial donations from slave owning churches in the Southern states of the USA (Shepperson, 1951). Many of the arguments rehearsed during the Ten Years' Conflict, 1834 – 43, that precipitated the split in the Church of Scotland, are similar to the debate over State Rights that culminated in the Civil War, 1861 – 65. Yet, as Peters (2003) notes, there has been virtually no analysis of relations between Scotland and the Confederacy.

<sup>5</sup> Leathers and Raines (1999: 340), identified the issue of quality much more with Smith. This is consistent with the interpretation of Smith as an adherent of the Moderate Party in Scottish

argued here that it is impossible to disentangle these elements of Chalmers' social and economic thought: public support for religion was to him necessary in order for society to function properly.

## 2. Chalmers' economic and social theories

Throughout his public career, Chalmers was a prolific author. A great preacher, his style of writing was invariably polemical, a style suited to the pulpit, but not always well adapted to the careful development of abstract ideas.<sup>6</sup> In Chalmers (1808) (hereafter *National Resources*), Chalmers (1821 – 26) (hereafter *Christian and Civic Economy*), and Chalmers (1832) (hereafter *Political Economy*), he developed a theory of political economy in order to argue for very specific policy initiatives. These included the repeal of Poor Laws that placed poor relief on a statutory basis, and advocacy of public endowment of ecclesiastical and educational establishments to ensure their vigour and effectiveness.

Yet, these are only the writings on political economy. A careful analysis must also take account of important works, including Chalmers (1820) (hereafter *Commercial Discourses*) where he attempted to define virtuous conduct in business affairs, and Chalmers (1827) (hereafter *On Endowments*) and Chalmers (1837) (hereafter *On Establishments*), in which he argued for particular forms of social institution to promote the right ordering of society. His reports as Convenor of the Committee on Church Extension to the General Assembly of the Church of Scotland between 1835 and 1841 show how he sought to renovate and embed these social institutions within Scottish society during a period of rapid change. Lastly, in Chalmers (1834) (hereafter *Bridgewater Treatise*) he argued that the working of the market mechanism is in itself a sign of the beneficence of the creator, an argument from natural theology.

### 2.1 *Political Economy*<sup>7</sup>

In *National Resources*, the only book that Chalmers wrote prior to his evangelical awakening, he attempted to show that Britain had the capacity to overcome the threat imposed by Napoleonic invasion, with an income tax the most appropriate means of raising the public funds necessary for this. As represented by Waterman (1991b), the economic analysis relied on several bold assumptions. Factors of production, specifically labour and capital are treated as being entirely fungible, so that there are no sunk costs of production and the underlying production function is presumably linear and separable. In addition, the supply of these factors of production is perfectly elastic, so that industries do not face increasing costs as output expands. The

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ecclesiastical politics; as a leader of the Evangelical Party, Chalmers appeared much readier than Smith to acknowledge both the good that might be achieved by dissenting clergy, but also their limited role within society. For example, see Chalmers, (1837: 113 *et seq.*)

<sup>6</sup> See McCaffrey, (1981: 34 – 36) for a good summary of contemporary and later responses to Chalmers' style of argument.

<sup>7</sup> The argument of this section is largely an appraisal of the 'rational reconstruction' of Chalmers (1808, 1821 – 26 and 1832), developed in Waterman (1991b). Here, Chalmers' texts are read against the reconstruction to assess the value of this approach.

conclusion of this analysis is that the increased demand for military resources could have been met by levying an income tax, which would simply have reduced the sum available to owners of land and capital for expenditure on luxuries, and released both capital and labour for use by the government. While it may seem reasonable to suppose that an individual firm might increase its demand for labour and capital without affecting the aggregate wage level or the cost of capital, it seems improbable that an industry might behave likewise. Equally, assuming away all heterogeneity in labour and capital does not seem to assist economic analysis.

Waterman (1991b) claims that the essentials of the approach developed in *National Resources* find their way into the argument of *Christian and Civic Economy* and *Political Economy*, with the addition of Malthus' principle of population. This is necessary because within the original framework, there is no clearly defined equilibrium condition ensuring that the model is closed. Specifically, "It is an inescapable conclusion. . . that he implied what we should now call a negatively sloped demand curve for the variable, composite factor. *But in 1808 he gave no hint that he understood why this should be.*" (Waterman, 1991b, p.226) Without the operation of the Malthusian principle, but assuming perfect elasticity of supply of labour and capital, there is no good reason for unemployment of resources, and factor prices would be determined exogenously.

With the principle of population incorporated in his analysis, Chalmers defined the equilibrium wage as the payment made to labour that would permit the continued, bare subsistence of workers on marginal land. Waterman (1991b) treats Chalmers as having effectively assumed a Leontief production function, so that given the state of technology, usage of capital and labour would be tied together in set proportions. The quantity of capital required within the economy is then determined by the population, with the interest rate in turn determined by the requirement of market clearing in non-agricultural markets; so it is the price just sufficient to call forth capital for productive uses.

In this approach, productivity in the agricultural sector was a key determinant of the size of the economy. Chalmers allowed for three sectors in the economy, three factors of production and three classes of people. The sectors were agriculture, secondary necessities and luxuries; the factors were land, labour and capital, and the classes were the labouring class (often, as noted by Waterman (1994), the peasantry), and the owners of capital and land. As noted above, returns to land were assumed to diminish as more was brought into use, but returns to labour-cum-capital were assumed to be constant. The labouring class was divided into agricultural, secondary and disposable workers, the last term used because luxuries are that class of good which are not necessary for subsistence, and therefore might be dispensed with. Recall that the argument of *National Resources* was that expenditure might be diverted from consumption on luxuries to defence expenditures at zero cost. Throughout both *Christian and Civic Economy* and *Political Economy*, Chalmers continued to assume that as tastes and the pattern of demand for luxuries change, disposable workers and capital might flow without any impediment from one industry to another.

In *Political Economy*, Chalmers treated secondary necessities as being (in part) socially determined, but does not seem fully to have considered the implications

of this for his analysis. He was aware that over time the standard of life to which labourers had become accustomed had changed, and that these changes meant that what was considered sufficient for subsistence two generations before no longer was. Admitting such considerations to his analysis was important because it pointed the way to the wider ‘preventive check’ that he considered necessary to increase the wage level in society. He believed that once they were aware of the effects of restraint from sexual excess, workers would adapt their behaviour. The object of his political economy was the design of social institutions that would school workers appropriately. The limit of population would then not be determined by the physical subsistence wage, but rather by the socially accepted wage. There is an immediate implication, seemingly never noticed by Chalmers, that this would permit an analysis of continued economic growth, rather than an inevitably static economy.

## 2.2 *Economic growth*

Hilton (1986, pp.69-70) seeks to include Chalmers’ economic analysis within the Christian political economy of the early nineteenth century in these terms:

“The . . . evangelical, version of Free Trade may be characterized as static or cyclical), nationalist, retributive and purgative, employing competition as a means to education rather than to growth. Its psychological premiss was not self-interest but the supremacy of economic conscience, the latter innate in man yet needing to be nurtured into a habitude through the mechanism of temptation, trial and exemplary suffering.”

While at first sight, this judgment appears entirely congruent with the argument of the preceding section, there is an extent to which it seems to be a part of Hilton’s attempt to impose an unwarranted pessimism on Chalmers’ thought. The claim is that Chalmers treated the economy essentially as a self-regulating organism, with growth a temporary efflorescence, whose dissipation would alert people to its transient nature. This is perhaps too strong, since a careful reading of *Political Economy* reveals some awareness of the potential impact of economic growth on society.

In much of his writing, Chalmers seemed reluctant to consider the possibility of long-run economic growth. Even in *Political Economy*, while he accepted growth as a historical phenomenon, it is not clear that he sensed it to be current in the early nineteenth century. Thus, following Smith and Robertson, he was able to write persuasively about the emergence of a commercial economy as the feudal system declined in the face of an initial wave of urbanisation:

“Landlords, with a larger and juster sense of their interests, disposed of their farms in a way that yielded the greatest revenue to themselves; and husbandmen, with the benefit of a now more industrious peasantry, so laboured the farms, as to work out the greatest remainder of produce for themselves. In addition, the business of the country participated, though never to such a degree, with the business of towns, in the benefits that result from the division of labour, and in the greater

power given by mechanical invention to the implements of labour.”  
(Chalmers (1832: I, 71))

In this account, we see recognition of the role of technical progress, and in expanding on this claim, Chalmers argues that, “Commerce was . . . the executive agent in Europe for unlocking the capabilities of the soil.” (Chalmers (1832: I, 75)).<sup>8</sup> Invention and innovation are important, but he more typically argued that economic growth required increased (labour) productivity in agriculture (Chalmers (1832: I, 24 *et seq.*)). Without this, the population would immediately expand, pushing down the wage.

There is an interesting account in de Vries (1994) of the nature of economic development during the early part of the Industrial Revolution. The claim is that real wages did not increase substantially, but household incomes did. This required an ‘industrious revolution,’ explained as the result of an increase in the opportunities for consumption that increased the marginal value of money income, and in turn led to an increase in total labour time across all activities, but specifically a reorientation of economic activity towards the market. For de Vries (1994, p.259), such a transformation was well understood by writers in the Scottish Enlightenment, for “From Hume through Steuart to Smith, all . . . found occasion to argue, in effect, that the new demand patterns were in place, so that the carrot rather than the stick would suffice to elicit greater effort.” That writers in the Enlightenment believed in the civilising effects of commerce is something of a commonplace – see for example, Hirschman (1977), Rothschild (2001), Dow *et al* (2003), and Fleischacker (2004). To the extent that Chalmers was seeking to identify institutions that would promote such outcomes, he might well be understood as a surprisingly late contributor to that tradition.

Certainly, Chalmers concentrated much attention upon possible co-ordination failures that society in the early nineteenth century had to overcome to prevent the emergence of underemployment of resources, particularly labour, as a social problem. Once again writing about the emergence of commercial society at the end of the Middle Ages, with new opportunities for consumption, Chalmers commented:

“there was also at that time a strong re-action produced on the habit of labourers. With their growing taste for the new enjoyments which had been placed within their reach, there was, in order to obtain them, a willingness to forego the lounging and lazzaroni life which they formerly indulged in, and to brook the restraints and the toils of regular industry. A mighty extension must have arisen to agriculture, not merely from the new power that has been given to the implements of labour, but from the new habit that has been given to the labourers themselves.” (Chalmers (1832: I: 31))

Whether Chalmers intended to integrate this claim with other elements of his argument is unclear. What has been presented here as effectively a formal model with

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<sup>8</sup> This idea of one factor being a catalyst or agent for change in another seems to have been an important element in Chalmers’ thought. As discussed below, he considered the effect of dissenting congregations upon an Establishment, or a free university upon an endowed one to be the encouragement of the publicly supported institution to greater effort.

a well-defined equilibrium, the account of growth in a historical context and the observation that subsistence levels appeared to have changed across his lifetime, together seem to point towards the conclusion that further increases in productivity should result from technical progress. There seems to be some anticipation of de Vries' 'industrious revolution' with a clear inference, never actually stated, that institutional innovation in conjunction with invention is an effective channel of economic growth. Had he been less wedded the Malthusian principle of population, perhaps Chalmers would have resolved these issues and his contribution to economic thought would have been rather more substantial.

### 2.3 *Preventive checks and temperance*

To treat any part of Chalmers' writings principally as a contribution to the development of political economy seems quite impossible. The accounts in Hilton (1986), Leathers & Raines (1999) and Waterman (1991a, b) are least satisfactory where they try to do this. *Political Economy* and *Christian and Civic Economy* might instead be considered to be grounded in moral philosophy, and to contain just sufficient economic analysis to support claims about how society might be reformed in order to promote private virtue through public means. Chalmers' understanding of the nature of virtue in commerce as the practice of temperance, guided by adherence to Christian teaching on worldly matters, is well illustrated in the *Commercial Discourses*. Hence, "the virtues of society, to be kept in a healthful and prosperous condition, must be upheld by the virtues of the sanctuary." (Chalmers (1820: 109))

Inveighing against the 'vices of dissipation' (Chalmers (1820: 134 *et seq.*)), Chalmers depicted these as a disposition to act against the will of God, but in such a way as to "be reported on the one hand with the utmost levity, and be listened to, on the other, with the most entire and complacent toleration." (Chalmers (1820: 135)). That is, he identified socially acceptable behaviour, which he considered to be immoral and sinful, typically because it was dishonest, or licentious, or covetous, or unfeeling.<sup>9</sup> His concern seems to have been principally with those who hold positions of authority within society, seemingly sober and respectable, but who now tempt others into debauchery.

This emphasis seems to reflect a belief in a natural ordering of society, with those who hold such positions of authority, derived from rank rather than merit, deserving respect on the basis that such deference is virtuous.<sup>10</sup> Chalmers was certainly aware of the possibility of such position being abused, for example in describing the capacity of employers to subvert the virtuous dispositions of those over whom they had economic power (Chalmers (1820: 166 *et seq.*)), or in identifying as idolatrous desires that might be characterised in terms of avarice, lust and gluttony (Chalmers (1820: 196)).

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<sup>9</sup> Biblical proof texts to which Chalmers referred (1 Cor 6: 9; Eph 5: 5) seem to be concerned principally with sexual behaviour.

<sup>10</sup> For example, speaking of the appearance of a monarch in public, Chalmers claimed, "It is, to the objects of rank and office and ascendant station, that on the moment of their presence, there is felt an involuntary respect, of which it may be said we lie under the moral impotency of withholding it." (1827: 126 – 7)

Against this must be set a passage (Chalmers (1820: 121 *et seq.*)) in which the duty of the poor to be generous to the rich is defined in terms of moderation of wants in the presence of generosity. Indeed, Chalmers claimed that under this (proper) interpretation, the Golden Rule<sup>11</sup> “would lead to no practical conclusions, which are at all formidable.” (Chalmers (1820: 115)) In what follows, it might seem that Chalmers, in his public campaigns at least, tended to identify a problem of the drying up of widespread generosity or charity in the face of excessive demands, and to structure his policy proposals to remedy this supposed failing of human nature.

This is the context in which, seeking to perfect Adam Smith’s political economy, he developed Malthus’ principle of population into a bulwark of his own analysis. He believed that the proper object of economic policy was not economic growth, but a transformation of the situation of the labouring class, which might be achieved only by restraining the expansion of population.

“In the political economy of Dr Smith, society is prosperous only when it increases. He confines his view only to one term — an increase in the demand for labour, or in the means of its support. He adverts not to the general prosperity that might ensue by a moderation in the supply of labour.” (Chalmers(1832: II, 28))

Furthermore, the supply of labour could only be managed effectively through population change. In the absence of effective contraception, population growth would require restraint in procreative sexual activity. Since in his analysis, population was extremely responsive to shocks, without such ‘preventive checks,’ it would almost always be at the physical limit associated with bare subsistence. For Chalmers, sexual activity outside of marriage was inherently sinful.<sup>12</sup> The delay of marriage, so that a young man might save sufficient money to be able to prepare for the costs of raising a family, was an expression of temperance. Addressing his fellow clergy, but also lay members of the church, Chalmers emphasised the need for Christian teaching to encompass this practice, not just in preaching but also in the realised gospel of its ministers in their lives in the parish. Hence:

‘A disciple of the New Testament, whose views are sublimed by its doctrines and its hopes, has gotten a superiority over the passions; a certain nobility of soul; a reach of perspective to distant consequences; . . . and these, altogether, form the best guarantees against that impetuous appetency, which first leads to early marriages, and afterwards lands in squalid destitution, the teeming families that spring from them.’ (Chalmers (1832: 11))

The consistency between teaching and life is no doubt important. But ministers and elders of the church, especially of the established church, tended to be drawn from professional classes,<sup>13</sup> and so did not require to adopt the habits of sexual

<sup>11</sup> “All things whatsoever ye would that men should do to you, do ye even so to them.” (Matt 7: 12)

<sup>12</sup> Some of his harshest criticism of statutory poor relief systems in England concerned their willingness to countenance that ‘species of profligacy which has deluged the parishes of England with illegitimate children’ (Chalmers (1826: II: 233n)).

<sup>13</sup> Leathers & Raines (1999) argue that Chalmers disagreed with Adam Smith on the appropriate level of stipend for a minister, citing in particular Chalmers’ success in increasing his own stipend while

restraint. In Chalmers' analysis, it was the labouring class, poorly educated and with access to limited resources, that required the guidance and support of the church to be led into the practice of virtuous restraint.<sup>14</sup> In presenting this argument, I downplay considerably Chalmers' evangelical convictions, and would not wish to suggest that he proposed that the church might simply act as a moral guide to the population. Yet, he supposed that:

“The one Christian of a city lane may fail to reach a spiritual lesson into the hearts of his acquaintances, and yet, by the very dress of his children, and the general sufficiency of his whole establishment, hold forth another obvious lesson, that may be learned and copied by them all. And . . . though they decline to run the heavenly race along with him, yet they will far more readily enter with him into rivalry for the honour and the becoming air of independence upon earth.”

(Chalmers (1826: II: 75 – 76))

#### 2.4 *Poor relief and pauperism*

Chalmers' moral and economic analysis led him to conclude that attempting to relieve poverty by statutory relief funded by taxation would necessarily be self-defeating. He did not consider poor rates simply to be an error of judgment on the part of English authorities,<sup>15</sup> but a deep moral failure that had immiserated the working poor. The formal argument is straightforward. Beginning from equilibrium with full employment and wages at the subsistence level, there is no requirement for poor relief. Suppose now that some permanent shock leads to a fall in the productivity of land. In Chalmers' model, discussed above, the wage level should fall, and unless there is technical progress or some other means to reverse the shock, the wage would return to subsistence level only when the population had fallen sufficiently, accompanied by a decline in agricultural output. The equilibrium would again be found where the rent of marginal land is zero, allowing for bare subsistence.

Suppose that in response to such a shock, it is proposed to tax rents of land with receipts being used to increase wages. If this brings the net income of labourers up to the subsistence level, a new steady state is immediately established, but the poor rate is a permanent requirement, representing a transfer from owners of land to the labouring class. Worse, suppose that the poor fund generates such large receipts that

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minister of Kilmany. This is perhaps too strong a claim. Brown (1982) gives several examples of Chalmers' seeking personal financial betterment. However, Chalmers' action against the heritors of Kilmany parish was intended to provide a sufficient endowment for the effective working of the parish. He succeeded so well in this that as late as 1885, the parish did not have to levy a poor rate.

<sup>14</sup> Of course, it is not clear that the labouring class welcomed this particular approach. At the time of the Disruption, some ministers of the Church of Scotland, notably Patrick Brewster of Paisley, declined to join this movement because they foresaw the new denomination as being too heavily dominated by the interests of the emerging industrial middle class to be properly a national church. (Hilton (1986: 108))

<sup>15</sup> In Scotland before 1844, in most parishes, there were no statutory assessments for poor relief, and even after 1844, a minority of rural parishes continued to rely on voluntary contributions to a parochial poor fund to provide relief.

the net wage were to rise above the subsistence level.<sup>16</sup> In the absence of a preventive check, the population should increase, with previously sub-marginal land being brought into production, and the net wage would fall, with a new equilibrium being established where the net wage has fallen back to the subsistence level. The poor rate would now be required permanently, in order to alleviate the seeming incapacity of many people to support themselves. For Chalmers, an inevitable consequence of the institutions of pauperism would have been the immiserisation of the working poor.

Chalmers therefore argued for a system in which voluntary relief would be the counter-part of moral education. Where the moral role of public education was to inculcate an understanding of the preventive check, and so to promote virtue among the labouring class, the moral role of poor relief was to inculcate a fear of such vices as sloth and sensuality. As noted already, Chalmers seems to have had a particular concern that any mandatory system would subvert virtue, granting the poor a right to payments that in turn would lead the beneficiaries of such schemes to become importunate in their demands, and the contributors to become blind to the needs of the poor. Hence the first failure of pauperism is that:

“by leading the people to repose that interest on a public provision, which would else have been secured by the effects of their own prudence and their own carefulness, it has dried up for more abundant resources in one quarter than it has opened in another,”

(Chalmers (1826: II: 56))

while more pernicious, indirect effects would occur under a statutory system since:

“the benevolence of the law holds out a wholesale bounty and temptation to improvidence. It has changed the timid supplications of want, into so many stout and resolute demands for justice. . . . All the tenderness of charity on the one hand, and all its delicacy on the other, have been put to flight, by this metamorphosis of a matter of love, into a matter of angry litigation.”

(Chalmers (1832: I: 405))

It is important that Chalmers believed voluntarism to be more effective than a statutory system because it turned people away from their natural moral interest in each others' well-being and created incentives for them to look to their own private interests.<sup>17</sup> In spite of his attachment to the evangelical party in the Church of Scotland, in this context, he used arguments that seem largely to have been derived from the moderate tradition of the eighteenth century, with much that recalls both Hutcheson and Smith.<sup>18</sup>

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<sup>16</sup> Chalmers never explicitly indicated that he considered this to have occurred, but it is reasonable to infer from the argument of the second volume of *Christian and Civic Economy* that he certainly considered it to be a possibility.

<sup>17</sup> For example, in his *Bridgewater Treatise*, “Chalmers was optimistic about man’s capacity, under duress, to turn away from sin. In this way he combined a Judaic version of the stern and vengeful Jehovah with the ‘warm, and affectionate, and evangelical spirit of the New Testament’ ” (Hilton (1986: 83); Chalmers quoted from *Christian and Civic Economy* I: 23)

<sup>18</sup> Indeed, MacLeod (1993) suggests that had Chalmers adhered more strictly to the Calvinist theology embraced by the Evangelical Party, then he would have placed greater weight on the sinful and unregenerate nature of humanity, and argued for statutory relief because of the likely failure of private charity.

Chalmers' exertions to eradicate pauperism, the term that he invariably used for a statutory system of poor relief, can therefore be seen as a special case of the guiding principle that political economy should improve the quality of social institutions by giving them explicitly Christian foundations, and ensuring that their design promotes the practice of virtue. He anticipated immediate beneficial effects:

“on the simple abolition of a compulsory assessment for the relief of new applicants, there would instantaneously break forth from innumerable fountains, now frozen or locked up by the hand of legislation, so many refreshing rills on all the places that had been left dry and destitute . . . as would spread a far more equal and smiling abundance than before over the face of society.”

(Chalmers (1826: II: 55))

The four types of ‘fountain’ are the ‘habits and economies of the people themselves’ (p55), ‘the kindness of relatives’ (p56), ‘the sympathy of the wealthier for the poorer classes of society’ (p 58) and ‘the sympathy of the poor for one another’ (p60). In this analysis, poverty is treated not as an individual, but as a communal problem. A family, after falling back on its own resources, and expending such small savings as it might have, was then to appeal to its circle of friends and relations. Once these resources were expended, then it might have approached others. In the absence of statutory arrangements, this was very likely to mean seeking support from a parochial poor fund.

In this context, it is particularly interesting to consider his analysis of the effects of local Christian ministry:

“let Christian philanthropy, for which a right parochial apparatus would give such ample scope and exercise, guide the footsteps of our official men to the humblest of our city habitations, and there suggest, in conversation, all that sense and sympathy can devise for the immortal well-being of the inmates; — though these applications should fail, in many thousand instances, of their direct and primary design, yet let them be repeated and kept up, and one result will be sure to come out of them — a more erect, and honourable, and high minded population, less able than before to brook the exposure of their necessities to the observation of another, and more strenuous than before in sustaining their respectability, on that loftier platform to which they have been admitted, by the ennobling intercourse of their superiors in society.”

(Chalmers (1826: II: 72))

There is much more in a similar vein in Chalmers' writing. He believed that even if the doctrines of the church had not been absorbed wholeheartedly within the upper classes of society, the practice of Christian virtue was common among such people. The labouring classes, ill-educated, wanton, many entirely outside the church's purview, simply needed contact with their moral and social superiors in order to be alerted to the possibility of transforming their lives through the practice of virtue. It was not to have been through the granting of alms by some bureaucratic mechanism, but through a lively and genuine interest in the well-being of individuals

and families and the development of strong personal ties, that the church would reach out to the poor. Where Chalmers adopted such an approach in his ministries in Glasgow between 1815 and 1823, he relied very much on the dedicated efforts of a group of parochial elders, who seem, by and large, to have shared this vision of the church reaching out to the poor.

Chalmers also incorporated the principle of localism into his analysis. A large part of his public campaigning in the 1830s was concerned with Church Extension.<sup>19</sup> He believed that virtuous institutions might only be supported were parishes small enough to be managed by a single minister, supported by elders in the duty of visiting parishioners in each district. Specifically, he opposed the creation of a unitary system of poor relief in larger towns, for:

“one evil consequence of thus uniting all the parishes of a town under the authority of one general board, is, that it brings out to greater ostensibility the whole economy of pauperism, and throws an air of greater magnificence and power over its administrations . . . that relaxation of economy, and of the relative duties which follows in the train of pauperism, is not in the proportion of what pauperism yields, but of what it is expected to yield. . . . The humble doings of a Kirk-Session will not so mislead the families from dependence upon their own natural and proper capabilities.” (Chalmers (1832: II: 99))

Here, we see that it is not simply the statutory nature of pauperism that concerned Chalmers, but its bureaucratic functioning.<sup>20</sup> The ‘relative duties’ appear to be the practice of virtue discussed above, and so they affect both those who would contribute to, and those that would appeal to, the general board. The parish, discussed more fully in Section 3 below, is the smallest unit that Chalmers could identify as having the capacity to meet need within its bounds, and the Kirk-Session, consisting of individual elders with oversight of districts within the parish, working under the guidance of the parish minister, might address every case that came before it with personal knowledge of the circumstances of the application for support.

### **3. Establishment and endowment**

In terms of the moral institutions of political economy, Chalmers argued that the church had a duty to edify the whole population quite separate from the duty to proclaim the Gospel. Chalmers’ vision of the Godly Commonwealth, based on a society organised into parishes, territorial units small enough that within each parish the minister might know each household, now seems to have a distinctly utopian quality. As a politically influential manager of the church, this was not the contemporary assessment of his approach. At a practical level, during his own ministry in Glasgow, 1815 – 23, he was responsible for substantial reform of poor

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<sup>19</sup> See Chalmers (1825, 1837) and also the Reports of the Committee on Church Extension to the General Assembly of the Church of Scotland (1835 – 1841), all in Chalmers’ name, as Convenor of the Committee.

<sup>20</sup> McCaffrey (1981: 50 – 51) suggests that Chalmers seems to have been reluctant to countenance any extra-parochial agencies being involved in poor relief, citing criticism of support given to a parishioner by the Glasgow Female Society that was supposed to have prevented local, voluntary relief.

relief within the city. In addition, his two lecture series, *On Endowments* and *On Establishments*, were based on practical arguments and drew on his own experience. In arguing for an established church, he effectively presumed a religious magistracy, working alongside the secular authorities.

Discussed at great length in *Christian and Civic Economy*, the clearest statement of the nature of this magistracy is found in the lectures *On Establishments*. Chalmers (1837: 316 *et seq.*) argued that it required the application of the parochial principle, with parishes formed with a population of no more than two thousand people, and the aggressive principle, in which ministers overcome the unwillingness of people to be associated with the church by regular visitation of all households. He believed strongly that the minister of a parish had a responsibility not just to members of the congregation, but to the whole population, identifying the limited popularity of the church in Ireland with its failure to require its ministers to discharge such responsibilities. The claim of C. Brown (1997) that in Scotland prior to the Disruption of 1843 each parish was sovereign in the sense that decisions of the kirk session – the congregational court – could not be challenged in law, is helpful here. On this reading, Chalmers was seeking to strengthen a counter-part of the state, and to establish public institutions that would remedy problems of market failure.

For Chalmers, then, establishment was a necessary component to ensure that the church's influence might permeate the lives of all people, no matter where they lived. It was largely a solution to an economic problem. Contrary to his general preference for market based solutions to economic problems, he considered that there were important demand side failings in the markets for education and religious instruction. Endowment was his preferred means of addressing these perceived economic imperfections. Hence in the context of parochial endowments, Chalmers, (1827: 112) suggested that:

“The subject . . . must be addressed by an application from without. It must be treated aggressively. And in like manner as schools have to be raised and teachers' salaries provided for every little district of the land, ere the inert mass can be thoroughly pervaded with scholarship – so we fear that, without a like provision of churches and beneficed churchmen to preach in them, the vast majority of our land would be left without the reach of gospel calls, or gospel opportunities.”

In both the lectures *On Endowments* and *On Establishments*, he argued that the role of voluntary institutions, including the then recently founded University College, London, was less to supplement the efforts of the established institutions than to encourage them to greater effort. Chalmers' seems to have considered there to be economies of scale and scope in the generation of knowledge; so that endowments had the beneficial effect of insulating academics and ministers from the pressure to be popular, enabling them to work on matters of fundamental importance. Hence he argued (Chalmers (1827: 85 *et seq.*)) for substantially increased endowments of the Scottish universities to enable their reform, and ensure that the standards of academic practice reached during the Enlightenment were maintained.

This concept of endowment, public provision for the ordinances of religion, was central to Chalmers' understanding of Church Establishment. His suggestion

that, “This idea of an Establishment may or may not imply what is commonly meant by a connexion between the church and the state,” (Chalmers (1837: 195)) may have reflected their delivery in London, and a desire to avoid becoming impaled on issues relating to church governance, Episcopal in England, but Presbyterian in Scotland. However, Chalmers seems to have regarded establishment as essentially a financial matter, and throughout his writings, its advantages are expressed in the consequentialist terms that an established church would be the most effective scheme for promoting virtue, and that this should be the concern of a ‘patriotic or paternal government’. (Chalmers (1837: 273)) He sought to alert government to:

“The moral and economic principle, on which to ground their determination, that is, on the fitness of any system, by the influence and lessons of its discipleship, to humanise a population, and impart such habits as are best for both the comfort and the virtue of families.” (Chalmers (1837: 293))

Given these objectives, he treated education and religion as being very closely intertwined. Moral education was not to be confined simply to the Sabbath schools that he urged elders to establish in their own districts, but education in general. The traditional argument, handed down from the Reformers in the sixteenth century, was that Sabbath schools were the most effective means of propagating knowledge of the Scriptures and catechising children if the pupils were literate, so that Sabbath schools pre-supposed the existence of the parochial day school. The novelty in Chalmers’ argument is that an outcome of the process of education should be sufficient development of moral understanding necessary for people to lead a virtuous life. In several places in *Christian and Civic Economy* and *Political Economy*, he explicitly includes understanding of the role of the preventive check in order to avoid poverty. It was then not enough for there to be a system of schooling within each parish. Education without a religious basis was bound to be ineffective in promoting virtue. Hence:

‘We have no faith in the efficacy of mechanic institutes, or even of primary and elementary schools, for building up a virtuous and well-conditioned peasantry, so long as they stand dissevered from the lessons of Christian piety. . . . The scholastic is incorporated within the ecclesiastical system of Scotland, and that, not for the purposes of intolerance and exclusions, but for the purpose of sanctifying education.’ (Chalmers (1832: I: 19))

The parochial school was to be managed by the church, not simply so that pupils might be indoctrinated in the principles of Christian doctrine, but also so that they might be imbued with a wider set of values, which Chalmers identified as having a specifically Christian basis.

#### **4. Conclusion**

The argument of this paper is that Thomas Chalmers developed a highly original conception of the relationship of the church to wider society. From the Scottish Reformed tradition, Chalmers drew upon the concept of the ‘two kingdoms’,

in which church and state operate in partnership, each sovereign in its own area. His concern was to develop arguments within which the role of the church would be recognised as being of value even in an increasingly secular society.

The economic analysis that he developed was substantially flawed, and could never have achieved his objective of altering the trajectory of thought in political economy as he seems to have hoped. It would be wrong to set down his thinking on economics as just one more idiosyncratic challenge to the validity of mainstream thinking within the classical school. Chalmers, apparently adopting the optimistic view of the willingness of people to identify with others' interests closely associated with the rationality of Enlightenment thinking, set out to identify ethical practices that would promote economic and social well-being. Many of his proposals relate to the design and operation of institutions, and are not derived directly from the economic analysis. Were the economic analysis valid, then some scheme similar to Chalmers' would probably be essential. In fact, the schemes are largely speculative, and would have been difficult to test empirically when they were originally devised. Ultimately they were to be by-passed as society found alternative institutions that appeared to work adequately.

The policy debate to which Chalmers contributed continues, perhaps most obviously in North America, where the role of voluntarist, faith-based organisations in providing a range of social services on a charitable basis, has acquired a new prominence under the current administration. In many countries of Western Europe, even where the role of the church has diminished considerably, such organisations tend to exist to minister to the needs of those who are least able to obtain access to public services.

It seems unlikely that Chalmers would have considered these to be an adequate role for the church, believing as he did that the church should imbue the practice of virtue as widely as possible in society. That is, recognising the social nature of the individual and believing that only an established church has the capacity form this nature fully, he argued that the church should be responsible for managing the education of the young, so that they would emerge not only literate, but having experienced the rudimentary ethical formation necessary to live virtuously, and in particular, temperately. To balance and complete the system, he also argued that ministers should act as religious magistrates, with responsibility for poor relief within their parishes, managing the poor fund in such a way that it would be available only to those who were unable to find other forms of support. Again, the purpose was to promote virtue, here both charity among those who were able to give, and temperance among those likely to be the objects of such charity.

Given the desirability of the church having this role, it was reasonable for Chalmers to argue that the state should establish a church, for to fulfil its social role, the church must permeate the whole of society. The argument for establishment was not to restrain the operation of the market, but followed from the presumption that the market for religion faces systemic failure. Among virtuous people, there should be agreement on the necessity of the promotion of Christian faith and practice throughout society, given the substantial externalities associated with the church's activities. Quite simply, a single, ubiquitous, hierarchical agency seemed to Chalmers necessary for the discharge of these responsibilities.

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