and if it were, indeed, vacant. Inheritance suits might turn on the issue of legitimacy of birth or the validity of a marriage, matters which lay within the purview of the church courts. Two cases were dependent on whether a woman was a nun, or merely a boarder within a nunnery. On one occasion the royal justices required the bishop's assistance to determine which of two conflicting wills was genuine.

The bishop's returns of the writs contain various 'uncovenanted blessings', for example, a summary from 1393 of the beliefs of a group of Lollards in Northampton and two valuable eye-witness accounts of marriage ceremonies; and there are incidental appearances of notable figures such as John Wyclif and Philip Repingdon, heretic turned Abbot of Leicester and ultimately himself Bishop of Lincoln. Yet the real value of this well edited and annotated volume in fact lies in the very repetition of common form, which reveals the articulated and constant pressure of the English government on a diocesan bishop and his staff. In the longer term, this interaction of the two jurisdictions, and the habit of instant compliance with governmental demands acquired by bishops, was perhaps one of the underlying reasons why, despite the religious conservatism of the English people and their satisfaction with the Catholic Church, the Reformation could be put into effect in the 1530s.

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SACRED TRUST; The Medieval Church as an Economic Firm, by ROBERT E EKELUND, ROBERT F HÉBERT, ROBERT D TOLLISON, GARY M ANDERSON, and AUDREY B DAVISON, Oxford University Press, 1996, viii+210 pp (£25.00) ISBN 0-19-510337-8.

From an economic perspective the Medieval Church was a powerful and sophisticated institution.

Before AD 900 the church owned directly between 30–40% of all cultivated land in Western Europe, including 31% of all such land in Italy, 35% in Germany and 44% in Northern France. After AD 1300 roughly 1% of the population of England (50,000 people) was comprised of clergy, and even this figure excluded monasteries and certain other clerics. The Cistercians alone operated 525 separate abbeys in Europe. In the early Middle Ages the Church controlled most of the liquid capital in Europe and its annual income from tithes, rents, donations, fees, bequests, indulgences and monastic agricultural production greatly exceeded the annual revenues of any European government. Bishops often owned large estates and the Pope owned a major portion of Italy.

While much has been written over the years on the economic impact of the Medieval Church, most of it has dealt with the effect on the macro-economy and the debate between Weber and Tawney on the one hand and Sobarts and Schumpeter on the other. This book marks a new departure. It attempts to apply the modern micro-economic theory of public choice to the behaviour of the Church. Instead of assuming that decisions taken by the Church were dominated by 'other worldly' interests, this study assumes that the economic element played a significant role; and instead of assuming that the Church provided certain 'public' goods for the common good (the entire system of law and courts, social welfare and education), this study focuses on the provision of 'private' goods, namely services provided by the Church and purchased in something resembling a private market. The result is that the behaviour of the Medieval Church is analysed as if it comprised rational, self-interested individuals who sought to maximise individual or group utility subject to certain constraints.

The claim made by the authors is that the Medieval Church should be analysed as a multi-divisional, multi-national corporation, similar for example to General

Motors or AT&T. It was directed from the top (the Vatican), by a chief executive officer (the Pope) and a board of directors (the College of Cardinals), with a treasury function (the apostolic camera) assisted by fiscal agents (papal nuncios and legates) and franchisees (bishoprics and monasteries) with clear lines of authority. It was organised in a complex manner with long term strategic policy being centralised, but authority over day-to-day decision making and revenue collection decentralised. The major private good which the Church provided was information and guidance with respect to eternal salvation, and in the provision of this pure credence good the Church had market dominance and brand loyalty. This in turn resulted in a range of services which included, inter alia, confession, the sale of indulgences, the blessing and dissolving of marriages, granting exceptions to endogamy rules, and loans to crusaders. Over time the Church maintained demand for its products by suppressing heresy (restricting entry), expanding markets and persuading society to change its cultural norms.

The justification given by the authors for using what might be considered not only a novel, but to some a distinctly offensive approach, is that it provides insights into the Church's behaviour which are genuinely illuminating and which would not be gleaned from a more traditional approach. For example it turns out that benefices, the temporary rights of clergy to portions of revenue streams from assets under their stewardship, are not unlike the use of stock options in modern corporations. Church property was common property and not owned by the clergy who administered it. As a result the clergy lacked the incentive to manage those assets efficiently on behalf of the corporate Church, much as in a public corporation executive management will do things in their own interests which may conflict with the interests of shareholders. Benefices like our stock options were developed to align the interests of ultimate owners with existing managers.

More contentious perhaps is the claim of the way in which the Church gained control over the marriage market. Under secular law marriage was a private matter, with neither ceremony nor record. As the Medieval Church gained in power it successfully captured the marriage market, first by linking regulatory compliance with eternal salvation and hence extracting higher rents from its 'customers', and secondly by defining what constituted a valid marriage and then changing eligibility rules through time. Priests became the local agents of the Church for revenue collection and the enforcing of the rules, while the increased litigation through Church courts, brought about by successive changes in marriage regulations, enabled the Church to increase its income.

Perhaps the most contentious of all the theses put forward in this book is that the development of new doctrines should be seen as product innovations in order to maintain market dominance for the firm. The example given in the book is the invention of the doctrine of purgatory. From the eleventh to the fifteenth centuries, the Church faced dissenting movements which resulted in a loss of members (and revenue!) to rival sects. Against this background the doctrine of purgatory was introduced to maintain or enlarge the Church's market share. The closest parallel to purgatory in the business world is the kind of bankruptcy legislation which exists in the United States which allows the business person a second chance to redeem himself commercially. As a result bankruptcy laws lower the cost of entering the industry. In the same way purgatory offers sinners a second chance of preparing themselves for heaven. Before purgatory, sin had to be paid for by penance during one's earthly lifetime. But purgatory introduced the idea of a deferred payment which also allowed payments to be made by third parties though the sale of indulgences on behalf of the deceased. In other words the introduction of the doctrine of purgatory lowered the price of sin in an effort to increase the Church's revenue.

The authors of this book are a group of respected American academics, who first began thinking about the subject in the mid-eighties. In terms of the structure of the book, they start by outlining their general thesis and then present a number of case studies, each chapter being written by one or more of the group. Despite the number of authors and case studies the book has a surprisingly strong theme running throughout, which makes it easy to read, although sometimes this involves a modest understanding of technical economics.

It is important to point out that the authors go out of their way to stress the limitations of their work. They do not attempt to rewrite medieval history. They have relied heavily on secondary sources in English language translations and what they charmingly refer to as 'anecdotal evidence'. They are prepared to accept that their approach is wrong. Nevertheless in my judgment they have sufficient evidence to support their approach so that it would be very difficult to dismiss their work as in some way invalid.

The authors also go out of their way to stress that their work is neither an attempt to integrate economics and theology nor an attempt to discredit religious motives in human behaviour. But is this right? The claim of the book is that certain aspects of the behaviour and doctrines of the Medieval Catholic Church can be usefully analysed within a modern framework of self-interested wealth maximising economics. Their analysis is specifically concerned with the Church as an institution and not with that of individuals. Because the Church was so heavily involved in the Medieval economy as owner, investor and employer, as well as a significant buyer and seller of goods and services, it is inevitable that economic factors must have played a major part in certain decisions of the Church. The picture which emerges of the Medieval Church is of an institution well aware of economic opportunities and ready to trade and conduct business to increase its wealth.

This conclusion does not in my judgment undermine religious motives. The growth of monasteries as firms for example is compatible with responsible stewardship as well as avarice, but such a judgment cannot be made in the abstract. It can only be made in a specific context. Similarly the attempt by the Church to change marriage from a secular to a religious contract may have yielded extra income to the Church but would also be justified by a Christian view of marriage and mission. In cases therefore in which 'other worldly' motives and wealth-maximising motives point in the same direction there is certainly no inherent conflict between religion and economics and the judgment regarding which dominates in a particular case would need a great deal of extra information before making a judgment. More difficult would be those cases in which 'other wordly' interests and economic motives pointed to very different outcomes, but few are presented.

This is an interesting and important book. While it offers insights regarding the behaviour of the Church in terms of economic self-interest it says nothing illuminating about those sacrificial 'other worldly motives' which led to the formation of the Church in the first place and which have meant its worldwide growth and development ever since. The book therefore shows the power but also the enormous limitations of economics at the same time.

Lord Griffiths of Fforestfach, Vice-Chairman of Goldman Sachs, Europe.

THE LAW OF THE PARISH CHURCH by SIR WILLIAM DALE, Butterworths, 1998, 7th edition, xxv+223 pp (paperback £25) ISBN 0-406-89777-8.

The Journal has received a copy of this latest edition of Dale. It is noteworthy that the first edition was published as long ago as 1932 and that the 7th edition is the work of the original author. The 6th edition was published in 1989.

Editor.