

ECONOMICS

Tracts Against Capitalism

by Mark Royden Winchell

Peaceful Valley is a bucolic residential neighborhood in Clemson, South Carolina. The middle-class homeowners who live there are not land speculators hoping to turn a profit. Many are like Kathleen Dickel, a 50-year-old high-school German teacher, who owns a two-story contemporary house with a deck surrounded on two sides by deep woods. Kathleen stained the deck herself. She eats her meals and does her schoolwork out there, and she watches the leaves change colors in the fall. “There are fireflies here like I have never seen anywhere in my life,” she recently told a reporter for the *Greenville News*. Unfortunately, this pleasant life—and Peaceful Valley itself—may soon be a thing of the past.

Despite the availability of three commercially zoned locations in Clemson, Wal-Mart is intent on setting up shop next to Peaceful Valley. Instead of seeing a slope of woods and ravines in back of her house, Kathleen Dickel may soon see a 60-foot-high retaining wall. Sitting on her deck, she will not see the sun after four o'clock. Nor will she see the stars at night—only floodlights from the Wal-Mart parking lot. And the quiet she has come to treasure will be drowned out by the sound of big trucks pulling in and out, not to mention the shoppers who will crowd the streets near her house. Not surprisingly, Kathleen and many of her neighbors are fighting what many consider the irresistible tide of progress.

What side should a conservative take in this dispute? Those who believe that conservatism was defined once and for all by the Austrian economists would have no difficulty answering that question: Wal-Mart wants to buy the property in question, and the current owner is eager to sell. In a society where the free market reigns supreme, the homeowners in the vicinity would have only two options: Learn to live with the new state of

affairs, or move. Those local merchants who fear being put out of business have even less cause for complaint. If they can't compete with the corporate behemoth from Arkansas, they should find some other livelihood. All that stands in the way of the market working its will are zoning laws, the “intrusive hand of government.” Whatever you might think about this controversy, most local observers are convinced that all “conservatives” are allied with Sam Walton's heirs.

There is, of course, a counter-tradition on the right. Those who do not regard the market as sacred realize that it is necessary to make a *life*, as well as a living. Although such a conservative vision has many sources, one that seems particularly relevant to the dilemma of Peaceful Valley is that of the Nashville Agrarians and their fellow economic decentralists of the 1930's. Derided in their own time as reactionary dreamers (several were actually poets), the Agrarians now seem more like prophets who recognized the social drawbacks of unbridled industrialism when just about everybody else could see only the bottom line. Although neither they nor their opponents realized it at the time, the Agrarians were actually more radical than the communist and socialist critics of industrial capitalism. Marxists, after all, were willing to accept capitalism as a necessary phase in the evolution of society toward socialism. The Agrarians saw both capitalism and socialism as dangerous examples of economic centralization. Rather than move through and beyond capitalism (as the communists wanted to do), the Agrarians advocated a “third way,” which was not only noncommunist but pre-capitalist.

Considering only their attacks on industrialism, I cannot help being struck by some unintended affinities between Agrarian and Marxist thought. Although he does not mention capitalism by name, much of Donald Davidson's social criticism in the late 1920's laments the condition of the alienated worker, who controls neither the source nor the fruits of his labor. This was a theme that had been sounded by Southern traditionalists for nearly a century before the stock market crash of 1929. (I think of William J. Grayson's poem “The Hireling and the Slave” and even of the arguments of Augustine St. Clare, the benevolent slave-

holder in Harriet Beecher Stowe's *Uncle Tom's Cabin*.) As Eugene Genovese notes:

In the Old South, outstanding political and intellectual figures denounced capitalism (“the free labor system”) as a brutal, immoral, irresponsible wage-slavery in which the masters of capital exploited and impoverished their workers without assuming personal responsibility for them.

Making a similar point in the *Communist Manifesto*, Marx and Engels wrote:

The bourgeoisie, wherever it has got the upper hand, has put an end to all feudal, patriarchal, idyllic relations. It has pitilessly torn asunder the . . . feudal ties that bound man to his “natural superiors.”

Their quarrel with industrial capitalism was so fundamental that several of the Agrarians were actually afraid of being mistaken as red or, at least, pink. Preparing to publish their manifesto in 1930, three of them—Allen Tate, Robert Penn Warren, and Andrew Lytle—actually wanted to call it *Tracts Against Communism*. Although this title was rejected as largely irrelevant to the central concerns of the volume (which was already being advertised as *I'll Take My Stand*), it would at least have made the point that economic centralization (both public and private) was the enemy. Questioning the supremacy of capitalism did not mean embracing a collectivist alternative.

Ironically, if the Agrarians had been read primarily as opponents of capitalism, their ideas would probably have been taken more seriously in an intellectual community heavily populated with socialists and fellow travelers. Instead, they were denounced as romantic Luddites seeking to roll back the Industrial Revolution. With no funding, no charismatic political leader, and no publisher interested in a sequel to *I'll Take My Stand*, the Agrarian movement seemed dead in the water by the early 1930's. Then, apparent salvation arrived in the person of a New York editor named Seward Collins. On March 8, 1933, Col-

lins wrote a long letter to Donald Davidson describing his plans for a new magazine, which would soon be called the *American Review*. A man of extreme but transitory enthusiasms, Collins gave the Agrarians *carte blanche* to publish whatever they wished in his new magazine. For the next three years, the *American Review* became, in effect, the Agrarian magazine of record.

As promising as it might have seemed at the outset, the connection between the Agrarians and the *American Review* soon began to sour because of Seward Collins' increasingly open flirtation with fascism. By 1936, the Agrarians felt compelled to dissociate themselves from Collins and his magazine, and they began desperately looking for a new forum. At that point, Allen Tate joined forces with Herbert Agar, the foremost American proponent of the British Distributist movement, to organize a broadly based symposium attacking monopoly ownership. The revolutionary character of the resulting anthology is suggested by its title—*Who Owns America? A New Declaration of Independence*.

Despite differences in nationality and cultural heritage, the Agrarians shared several key principles with their new allies. Like the Twelve Southerners, the Distributists (G.K. Chesterton, Hilaire Belloc, *et al.*) were dismayed by the corrosive effect of industrialism and the greater centralization of economic power under corporate capitalism. Rather than following the path of the Fabian socialists, they advocated a restoration of the medieval guilds. They envisioned a society of subsistence farmers working their own land and of urban laborers owning their small factories. Perhaps because they were overwhelmingly Roman Catholic in a land where Catholics were in the minority, the Distributists attributed much of what they detested in capitalism to the acquisitive spirit of Protestant individualism.

Sixty-five years after the publication of *Who Owns America?*, it is clearer than ever how far the position of the Agrarians and Distributists deviates from the worship of *laissez-faire* economics that now passes for conservatism. Not only were these decentralists distrustful of capitalism, they were willing to use the powers of the federal government to redistribute property and income in a more equitable manner. In his essay, "Big Business and the Property State," Lyle Lanier (who had also contributed to *I'll Take My*

Stand) stops short of advocating government ownership of the means of production, but he does encourage increasing government regulation of business and even amending the Constitution to achieve that goal. Such regulation was accomplished by the New Deal after a few timely deaths on the Supreme Court made changing the Constitution unnecessary. When the surviving Agrarians gathered in 1980 to celebrate the 50th anniversary of *I'll Take My Stand*, Lanier was praising Barry Commoner, the presidential candidate of the ultra-left-wing Citizen's Party.

We tend to think that the most important distinction in economic philosophy is between those who favor the collective ownership of the means of production and distribution and those who advocate private ownership. In his contribution to *Who Owns America?*, Allen Tate argues that a far more important distinction should be made between concentrated and widely distributed property. Big business has tried to rally small property owners to its cause by maintaining the illusion that all property rights are essentially the same. For small property owners, however, the right to property involves both legal and effective ownership—not only the right to sell, but the right to *use* what you own. This is clearly not the case for the small stockholder in a large corporation. The piece of paper that gives him part ownership in that corporation might produce dividends in flush times, but it gives him no real voice in the way his property is used. For that reason, Tate agrees with Marx that corporate capitalism is the necessary and inevitable prelude to communism.

"The collectivist State," writes Tate,

is the logical development of giant corporate ownership, and, if it comes, it will signalize the final triumph of Big Business. "All the arts," said Walter Pater, "strive toward the condition of music." Corporate structure strives toward the condition of Moscow.

(As a practical matter, the communists could much more easily take over an economy that was already centralized than one in which property was widely dispersed.) Viewed in this light, a Jeffersonian economy would not be a *via media* between Hamiltonianism and communism or communism and fascism but the opposite extreme of all these various faces of collectivism. Tate summarizes

his position in the following maxims: "Ownership and control is property. Ownership without control is slavery because control without ownership is tyranny."

Although the New Deal eventually accomplished many of the things that the authors of *Who Owns America?* recommended, it did not halt the greater centralization of the economy. Instead, it simply widened the source of centralization to include the public as well as the private sector. As a result, the Agrarians' cautious support of Roosevelt began to diminish. The economic decentralists had naively believed that they could use the coercive power of the federal government to control the excesses of untrammelled industrialism without paying a stiff price in personal liberty and local sovereignty. When the welfare state in Washington did not wither away any more quickly than the dictatorship of the proletariat in Moscow did, the battle against industrialism was widened to include an attack on all the tentacles of Leviathan, both public and private.

As radical as their economic prescriptions might have seemed at the time, the Agrarians and Distributists believed that they would ultimately serve a conservative purpose. This thesis is suggested by the title of Andrew Lytle's essay, "The Small Farm Secures the State." A nation of small landowners is by nature socially conservative, he argues. The small farm is "a form of property . . . that the average man can understand, can enjoy, and will defend. Patriotism to such a man has a concrete basis. He will fight for his farm in the face of foreign or domestic peril." To maintain such an environment, Lytle concludes,

should be the important end of polity, for only when families are fixed in their habits, sure of their property, hopeful for the security of their children, jealous of liberties which they cherish, can the State keep the middle course between impotence and tyranny.

Because it was more concrete and specific than *I'll Take My Stand*, *Who Owns America?* was also more vulnerable to criticism. Long before the dawn of the new millennium, it was clear that industrialism had won an irreversible victory. Today, when we think of American agriculture, we are likely to envision not the family farm but Archer Daniels Midland.

Perhaps Agrarianism really is merely a movement of antiquarian interest or an extended metaphor in the literary imagination. Still, yesterday's battles (especially those that were waged on principle) have a way of reemerging in a slightly different form. Economic centralization is as much a threat today as it was in the 1930's. Worse yet, it has taken on the even more ominous character of the multinational corporation. If nationalism is the enemy of regionalism, then the global economy threatens to destroy the integrity and sovereignty of nations themselves. When corporations move American jobs overseas, entire communities can be destroyed. And, as the residents of Peaceful Valley have discovered, even an all-American retailer such as Wal-Mart can wreak havoc with settled ways of life.

If money is not the root of all evil, size may be. I sometimes think that most of the oppression and depravity in the world today is the result of large institutions—whether big business, big labor, big religion, big education, big entertainment, or big government. Consider, for example, the massacre at Columbine High School in Colorado. Some people place the blame on the ready availability of guns. Others point a finger at rock music and video games. I suspect Bill Kauffman was right when he argued in *Chronicles* (*Cultural Revolutions*, July 1999) that the very hugeness of the school made it possible for a couple of disturbed children to remain anonymous and invisible until they shot their way into our consciousness. We cannot destroy huge institutions, nor can we hope to reform them. Perhaps, however, we can establish communities that are less dependent on these malignant outside forces.

It is this desire for community that has prompted the worldwide push for devolution. Whether it be the breakaway states of the old Soviet Union, the separatist forces in Quebec, or the Tenth Amendment movement in this country, people are showing an increasing antipathy toward the huge impersonal forces that seek to control their lives. In addition to their own nationalist flags, these warriors often display the defiant battle flag of the Confederacy. (The Quebec separatists have told Clyde Wilson that, if they ever win their independence from Canada, they will play "Dixie" at the victory party.) The traditional South, which seemed dead in the 20th century, may yet rise again in the 21st. More than any other group of intellectuals, the Nash-

ville Agrarians defined the nature of community for our time. Not only is this the cause of the South, but as Alexander Stephens observed so many years ago, it is truly the cause of us all.

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Capitalism and Civilization

by Paul Gottfried

Michael Novak has repeatedly argued (recently, in a lecture here at Elizabethtown College) that our economic system is "permanently attached to a Judeo-Christian culture," but history suggests otherwise. Although capitalism developed within a Christian culture, it has also actively undermined that culture's moral and spiritual foundations, as the use of the market by the entertainment industry shows. Nihilistic sentimentalists can profit in our society by selling their opinions as movies, as surely as do those who print and distribute the Bible. But that does not prove that capitalists must aid the forces of social disintegration or that the free market inherently favors those forces. The "capitalist system" is neither the sworn enemy nor the firm friend of social/cultural traditionalists. It does not operate in a political vacuum, nor do those who pursue profit necessarily believe in any particular worldview.

It has long been assumed that political centralization and economic development are necessarily related. The larger industrialized economies become, the more they require political control to sustain themselves and to develop further. Such a connection has seemed axiomatic to such diverse analysts as Gary Becker, Karl Marx, and Michael Novak, who have all argued that economic modernization presupposes highly centralized and ideologically homogeneous regimes. This argument is not confined to the Marxist left but has cropped up at least as often among defenders of capitalism and 19th-century bourgeois nationalists. While Ben Wattenberg and Charles Krauthammer might disagree with national liberals of the German Second Empire

about the kind of regime that should be imposed, all of them would agree that the global expansion of their political systems would be good for economic growth.

This conventional assumption about economic prosperity and political centralization is, at best, an overstatement. More likely, it is an effort to modify group behavior by associating a desired political outcome with economic benefits. Those who fancy a particular regime—whether American-style "global democracy" or a quasiconstitutional German empire under the King of Prussia—and desire its expansion have cited material advantages to promote their political project.

By the time I was a graduate student in the 1960's, multiple dissertations had already been written supposedly demonstrating that German capitalists were pursuing economic advantage by backing German unification. This thesis is either tautological or false. Every capitalist hopes to maximize his advantage and, unless behaving quite irrationally, will try to avoid public stances that may harm his material interests. But capitalists who associated themselves with Bismarck and his allies, as well as German industrialists who went along with Hitler, were not free to pursue optimal material advantages. They were reacting to the historical situation they found, jumping on board a moving train already full of noncapitalist interests.

Austrian social economist Joseph Schumpeter drew a distinction between the historical circumstances in which the European bourgeoisie operated (which came from a pre-middle-class past) and what that bourgeoisie might have done if it had been able to act more freely. Seen in this light, the German bourgeoisie were eager to have industrial and financial development but not necessarily the protectionist Bismarckian empire that came along in 1871. In any case, much of the protectionist baggage assumed by that government was placed there by the aggressive landed interests that accompanied the birth of the Second Empire.

To the extent that German capitalists backed imperial consolidation, many of them did so for patriotic reasons, not because German political unification was necessarily in their economic interest. In a perceptive study of 19th-century German liberals, *Die Partei der Freiheit* (Stuttgart: Lucius, 1999), historian Ralph Raico demonstrates this point in painful detail. Examining the *Freihandel-Partei*, grouped in Berlin in the 1850's around