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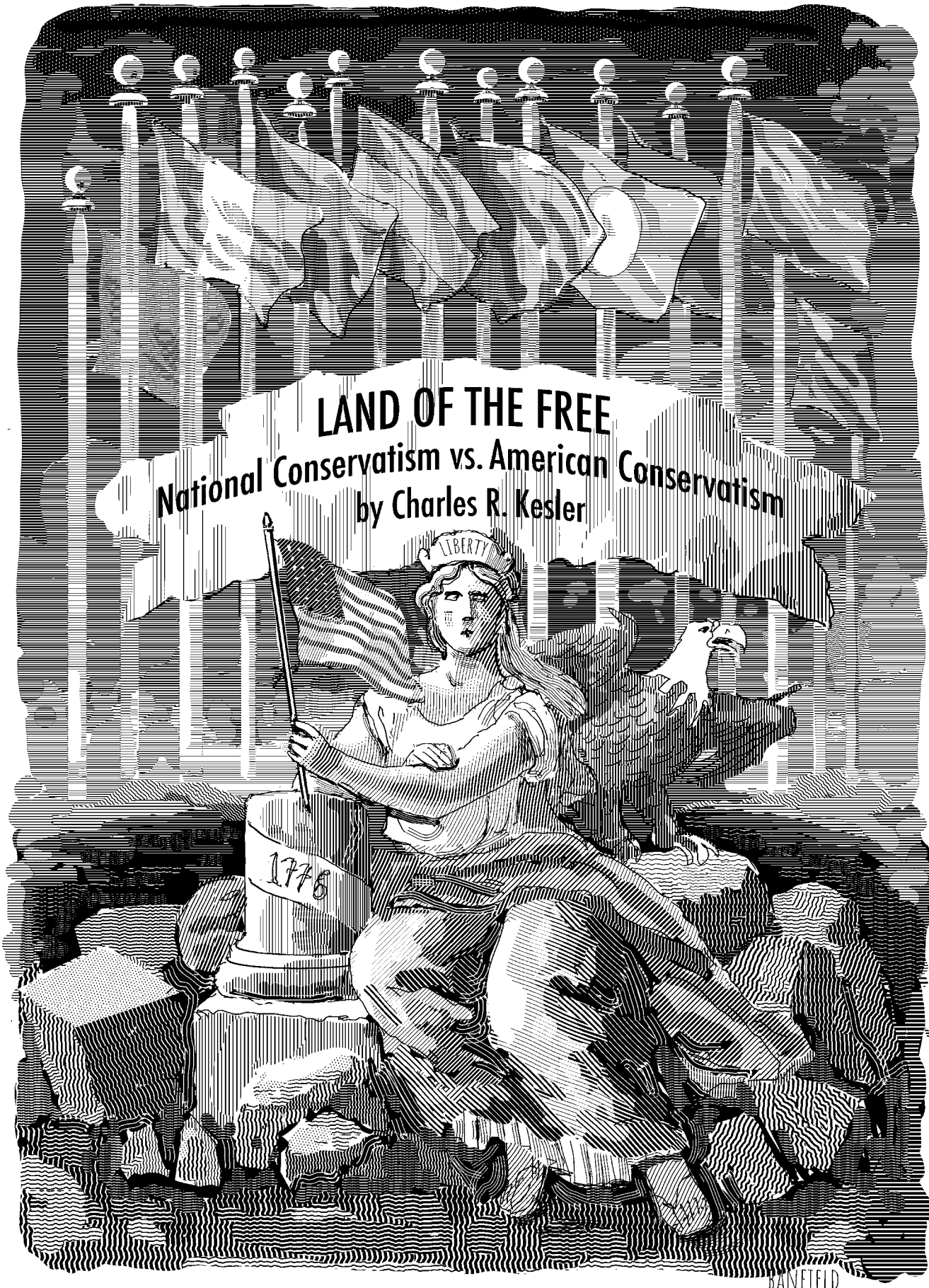
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Book Review by David P. Deavel

HOME ECONOMICS

The Political Economy of Distributism: Property, Liberty, and the Common Good, by Alexander William Salter.
The Catholic University of America Press, 238 pages, \$24.95



THOUGH NEVER IN PERFECT HARMONY, free marketers, social conservatives, and defense hawks collaborated to form a functional and sometimes powerful conservative political movement over the last half of the 20th century. Since 2000, however, this ensemble has become increasingly discordant. No one development accounts for all internal tensions. The long wars in Iraq and Afghanistan, followed by an open-ended military commitment to Ukraine, have led some conservatives to doubt that the defense hawks' understanding of America's national interest begins at home. Social conservatives worry that they are becoming the only conservatives still committed to resisting the sexual revolution and identity politics, including transgenderism, the newest front in the war against tradition and nature. At the same time, woke corporations make conservatism's long-standing commitment to reducing taxes and regulations appear to have been unreciprocated and politically fruitless.

In 2019 *First Things* magazine published "Against the Dead Consensus," a statement repudiating "warmed-over Reaganism" wherein

"prudential judgments and policies" such as free trade were turned into "sacred dogmas." The signers called for putting America and Americans first: "Advancing the common good requires standing with, rather than abandoning, our countrymen. They are our fellow citizens, not interchangeable economic units." For good measure, "Against the Dead Consensus" added that "economic libertarianism isn't nearly as popular as its Beltway proponents imagine."

ARE CONSERVATIVES GIVING UP ON markets and turning toward the command economy? One signatory of the statement, *Compact* magazine founding editor Sohrab Ahmari, has called for a national industrial policy, and treats the Marxist provenance of that idea as more of a feature than a bug. Though less radical, other conservative figures, such as *American Affairs* magazine editor Julius Krein and American Compass executive director Oren Cass, assail the past 40 years of conservative economic policy. Krein abominates what he calls "neoliberalism" and the disconnect be-

tween finance and "the economy of things." Cass, in his introduction to American Compass's *Rebuilding American Capitalism: A Handbook for Conservative Policymakers*, argues that "market fundamentalism" has "relinquished any right to advance a positive vision beyond free individuals exercising free choice in the market, each presumably able to optimize his own life." This vision's "accompanying agenda of tax cuts, deregulation, and free trade was well suited to an ideology of freedom disconnected from any conception of flourishing, but as economic policy it was a disaster for the nation."

The key term for Krein, Cass, the *First Things* statement signatories, and other market skeptics is "common good." Indeed, shortly after the Dead Consensus statement's publication, Senator Marco Rubio gave a much-discussed lecture at the Catholic University of America in Washington, D.C., proposing to "restore common-good capitalism—a system of free enterprise in which workers fulfil their obligations to work and enjoy the benefits of their work, and where businesses enjoy their right to make a profit and reinvest enough



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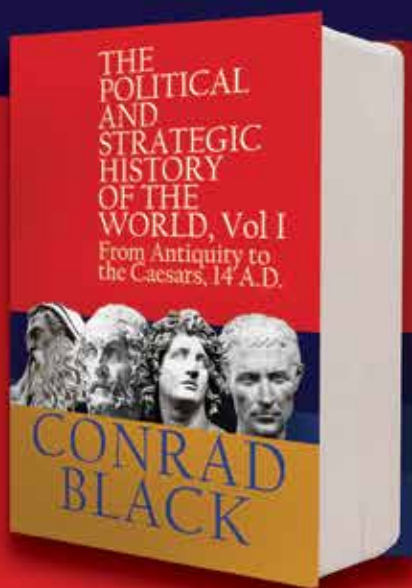
—Andrew Roberts, author of *Churchill: Walking with Destiny*

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—Dr. Henry Kissinger



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of those profits to create dignified work for Americans.”

ALEXANDER WILLIAM SALTER’S NEW book, *The Political Economy of Distributism*, begins with Rubio’s speech and also refers to the Dead Consensus statement. Salter, an economics professor at Texas Tech University’s business school, takes notice of this “newfound suspicion of markets and capitalism, which until quite recently were thought to uphold human dignity, not trample it.” This skepticism, he explains, goes beyond old debates about regulation, which were fought in terms of efficiency and distribution. Instead, it is about the entire liberal order: “The goal is to rethink the boundary between markets and governments, as well as persons and community.”

An Eastern Orthodox Christian, Salter observes that many protagonists in these debates are Catholics whose arguments draw on Catholic social teaching. He sympathizes, noting that the Catholic tradition condemns both socialism and pure laissez-faire. Salter laments, however, that in the 20th century this tradition was used on the Left simply to buttress the welfare and administrative state, which he calls “unsatisfyingly lukewarm: Focused as it is on material comfort and social pacification, bureaucratized capitalism is oriented toward solving second-order problems, when the first-order problem is respecting human dignity.” The weakness of this conception leads Salter to his book’s subject, distributism.

Few people know the term, but many have read or heard of its most famous advocates, Hilaire Belloc and G.K. Chesterton. Both considered distributism to be an application of Pope Leo XIII’s landmark 1891 encyclical *Rerum Novarum* (“On the New Things”). Belloc was the son of a French father and English mother. Briefly a member of Parliament, for the rest of his life he made his living with his pen as a poet, historian, travel writer, and religious and political controversialist. His most famous non-fiction work is *The Servile State* (1912), which had a profound effect on Robert Nisbet and Friedrich Hayek. The latter used a quote from it as the epigraph for one of the chapters of his own *The Road to Serfdom* (1944). Salter examines *The Servile State* in one chapter and Belloc’s *An Essay on the Restoration of Property* (1936) in another.

Chesterton is more famous. The son of an estate agent in the London suburbs, he, like his friend, made his career writing in many different genres: novels and detective stories, poetry, literary criticism, travel writing, history, biography, and polemics. Chesterton is best known for philosophical and religious

apologetics, especially *Orthodoxy* (1908) and *The Everlasting Man* (1925). Salter samples from such works to establish Chesterton’s basic philosophy but focuses on *What’s Wrong with the World* (1910) and *The Outline of Sanity* (1926).

Salter seems to appreciate the logic and clarity of Belloc’s arguments more, though he is captivated by Chesterton’s whirligig prose. This is unsurprising, given that both the Belloc works he examines were extended essays, while Chesterton’s books were put together largely from previously published essays (though even Chesterton’s books written as books are rarely linear in their arguments). For both figures, Salter sees a concern for “economic and political arrangements that institutionalize respect for human dignity, in the sense that society’s fundamental rules actively promote man’s highest good.”

FOR BELLOC AND CHESTERTON, CAPITALISM denoted a system in which very few people owned property, while the vast bulk of the population depended on wage labor to meet their needs. Both considered capitalism a devolution from the High Middle Ages, an age of lost possibilities and characterized by property that had been well distributed among the populace. In *The Servile State* Belloc traced the evolution from ancient slavery to feudal serfdom, in which people were tied to the land but able to share some of its fruits. Under the ensuing arrangement, what he calls “free peasantry,” families that worked the land owed debts to the lords that were more in the nature of taxes than rent. Their right to remain on the land was nearly absolute and could be passed down to their children. Belloc tied this evolution to the effects of Catholic Christianity and traced the later devolution not to the rise of machines but to the English Reformation. It was Henry VIII’s seizure of land from the Church, estimated to be about one-third of the country, that began the march to capitalism as the great families took control of land that had been in common use or tilled by the free peasantry.

Belloc argued that the capitalism that developed was inherently unstable due in large part to the disparity in power between owners, on the one hand, who could dictate terms, and workers, on the other, whose options were to conform or starve. The instability could resolve itself only by society moving toward a form of collectivism combined with markets, which he called “the servile state,” or a return to a society in which capital is much more widely distributed—a distributist society. The former option would mean virtual slavery: the sweat of most



people's brows went toward earning bread—and luxuries—only for the very few. Belloc proposed tax and regulatory measures that favored small businesses, discouraged large corporations and chain stores, and helped families keep their property. He also wanted to charter occupational guilds that would set rules and prices in particular industries. In Salter's view, some of these economic concerns are misplaced: large enterprises lack the power to engage in predatory pricing, while guilds are monopolies that create barriers to entering a trade. But Salter is much more open than *The Wall Street Journal* editorial page might be to tax incentives favoring small businesses.

Belloc admitted that a distributist society would be less wealthy and more backward in certain ways. Salter agrees with Belloc that economies of scale can make for cheaper goods. But Chesterton and Belloc both believed that the freedom engendered by more widely distributed wealth would make society less susceptible to tyranny and more closely connected. Like almost all the common-good capitalists today, and following Catholic social teaching, Chesterton and Belloc placed the family at the heart of the economy and indeed of national life.

Salter shows how Belloc and Chesterton's insights fit into contemporary research about questions of the state, the nature of economic

freedom, the relationship of democracy and economic freedom, and justice in market exchanges. He cites research on these topics that shows the distributists were on to something. Salter contends, for example, that while the state must be limited in power, it must also be strong enough to enforce justice in the economic realm.

SALTER DEVOTES HIS BOOK'S FINAL TWO chapters to the 20th-century Swiss economist Wilhelm Röpke, who shared many of Belloc and Chesterton's political and social concerns but had greater knowledge of economic science. Röpke expressed fears about "proletarianization" in *The Social Crisis of Our Time* (1942) and *A Humane Economy* (1960), his most famous work. Salter pays particular attention to an early book, *Economics of the Free Society* (1937).

Röpke opposed a command economy but also emphasized the state's important role in setting up the economy's rules, fighting against monopolies and cartels, making sure that entrepreneurs bear risk—he deplored privatized profits and socialized losses—and reducing extremes of distribution of property with taxes and spending. He understood the power of markets, but also that markets and a liberal order depended on extra-economic conditions, ones affected in turn by the rights and distribution of property.

The Political Economy of Distributism concludes with a reflection on the core insight of the distributist project: ownership of property is crucial for the particular kind of liberty necessary for a society such as ours to be healthy. Statecraft is soulcraft. Being responsible for property shapes its owners into the kind of people who can navigate the conflicts that inevitably arise among other property owners. It fortifies a nation to have many such citizens. Salter uses the economist's term for such a society, "polycentric." This multiplicity of decision-makers both beats back tyranny from any one center while providing the diversity that allows a society to act as a system.

The world we have now, with big business and big government intertwined, seems too much like the servile state Belloc warned against. As sociologist Joel Kotkin has documented, the result is the emergence of a new kind of feudalism. Chesterton and Belloc are right that we can't truly be happy if we own nothing. Though the distributists' economic thought was lacking, they have important insights into political economy that we should not ignore. Alexander Salter is to be commended for exploring them.

David P. Deavel teaches at the University of St. Thomas in Houston, Texas, and is a senior contributor at The Imaginative Conservative.

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