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Distributism Rebooted: John Médaille, Wendell Berry and Allan Carlson

RUSSELL SPARKES

A few years ago I pointed out that the obvious failure of current economic policies had led thinkers of both the political left, and the political right, to look around at forgotten alternatives, and in particular at the attempt by the “Distributist” Movement in the UK in the 1920s and 1930s to put Catholic Social Teaching into practice^[1]. It is certainly true to say that the main economic problem of the present day, the massive increase in economic inequality which has fuelled the rise in populist politics, would not have surprised the Distributists of the past, who identified these trends when they were in their youth almost one hundred years ago.

The reader may well be sceptical about whether such an obscure and long-forgotten idea can really explain the major political and economic issue of our time. I will therefore initially sketch the main ideas of the original Distributists and then show how they are being taken forward at the present time in the US.

What is Distributism?

“Distributism”, as the name suggests, was an economic and political philosophy which held that property should be as widely distributed, and business as local, as possible, and preferably family-owned. Led by writers G.K. Chesterton and Hilaire Belloc, Distributism flourished in the UK for about twenty-five years until the onset of World War II and was an attempt to propose a humane economic system based upon the principles set out in the first great encyclical on Catholic social teaching, *Rerum Novarum* (1891). This encyclical criticized then-current economic and social arrangements and demanded better treatment for working people. Its official subtitle, *On the Condition of Labour*, made its import clear:

There is general agreement, that some opportune remedy must be found quickly for the misery and wretchedness pressing so unjustly on the majority of the working class.....By degrees it has come to pass that Working Men have been given over, isolated and defenceless, to the callousness of employers and the greed of unrestrained competition. The evil has been increased by rapacious Usury...And to this must be added the custom of working by contract, and the concentration of so many branches of trade in the hands of a few individuals, so that a small number of very rich men have been able to lay upon the masses of the poor a yoke little better than slavery itself.[2]

However, while *Rerum Novarum* was highly critical of late-nineteenth-century free-market capitalism, it was equally negative about the Socialist or Communist remedies then being promoted. Indeed, the encyclical was particularly condemnatory of the Socialist plan to take over the running of the family. Distributists were particularly inspired by the following quotation from *Rerum Novarum*:

We have seen that this great labour question cannot be solved except by assuming as a principle that private ownership must be held sacred and inviolable. The law, therefore, should favour ownership, and its policy should be to induce as many people as possible to become owners.[3]

Distributism began shortly before the First World War, when books like Chesterton's *What's Wrong with the World* (1910) and Belloc's *The Servile State* (1912) observed closely the way the economic system worked in practice, including its political interconnections, and its impact on the politically powerless ordinary person. They warned of an "unholy alliance" between monopoly capital and the "progressive" advocates of greater State intervention.

The importance of a return to the land was also repeatedly stressed by Distributism's third intellectual leader, Fr Vincent McNabb OP. However, when Chesterton died in 1936, Distributism essentially died with him. His labours had funded both the campaign and the magazine which was its main source of publicity. Without him Distributism lost its inspirational force; it lingered on for a few years but was essentially finished when war came in 1939. Since then it has been more or less moribund in the UK, apart from a few writers like the late great Stratford Caldecott and myself, who have tried to keep its ideas alive.

However, before moving on, I would like to stress one point that Caldecott repeatedly made but which is rarely considered elsewhere—the essential point of Christian anthropology in regard to Catholic Social Teaching. He articulated this idea with characteristic clarity in a 1990 piece in *Communio* which gave a theological underpinning to Distributism:

It is love, in the sense of self-gift, of sacrifice, that creates community. A theology of community, which will also be a theology of the distribution of property, starts from the fact that the three Persons of the Trinity each give themselves without reserve to the others. It is the possession of the one, undivided divine nature in three ways, as given, as shared, that constitutes God as three persons. The closest analogy on earth to this loving exchange is found in marriage... which becomes the foundation of human society in general...

In the case of marriage, one might argue, the vow by which the spouses give themselves to each other under God is what constitutes them as a community, and it gives them the right to own property sufficient to sustain themselves and their children. If these thoughts are correct, they provide conclusions quite similar to the “Distributism” proposed earlier this century by G.K. Chesterton and Hilaire Belloc. The earth is given to humanity, the land of Israel to the Chosen People, the covenant of marriage gives a family the right to what the Distributists called a small-holding. Defined as the minimum property (of whatever kind) on which a family can sustain itself, the small-holding is to the family what the common earth is to humanity.[4]

In my opinion many people who look at Catholic Social Teaching’s critique of current economic arrangements mistakenly try and assess these arrangements on the basis of standard economic theory; this is to totally and utterly misunderstand it. Economics is a child of the Enlightenment, its basic premise being that individual self-interest can work for the common good through the mystery of the market. Catholic Social Teaching is based upon a very different fundamental premise, namely, that human beings are *persons* defined in relation to one another, rather than *individuals* defined against one another. I was struck by what Pope Saint John Paul II said on this topic in his last book, *Memory and Identity*, published in 2005, the year of his death, about the need for authentic freedom and a true anthropology.[5]

Distributism in the United States

Yet if Distributist thinking is fairly moribund in the UK, fortunately it is alive and well across the Atlantic. *The Chesterton Review*, founded in 1974, and based at Seton Hall University looks at aspects of Chesterton’s life and works, including his Distributist legacy. There is also the quite distinct American Chesterton Society (ACS), founded in 1996 and based in Edina, Minnesota which works to promote interest in the great social thinker, including his Distributist theories.

There are now nearly seventy local Chesterton Societies in the US, and ACS President Dale Ahlquist presents *The Apostle of Common Sense*, a television series on EWTN. Finally, the US also hosts *The Distributist Review*, an online magazine with a wide range of articles.

American Distributist Thinkers

a. Allan C. Carlson

Perhaps what is most encouraging about the vigor of Distributist thinking in the US is the way in which a number of heavyweight thinkers are using it to critique our modern dystopia. Three examples come to mind. In a past issue of *Humanum* I discussed Allan C. Carlson's book *Third Ways*, which examines a number of attempts at creating family-centred economies in the twentieth century—Distributism in action you might say. Carlson is a professor of history at Hillsdale College, Michigan, and president of the Howard Center for Family, Religion & Society. *Third Ways* repeatedly witnesses to his wide reading and deep scholarship. I can also commend Dr. Carlson's earlier book, *From Cottage to Workstation: The Family's Search for Social Harmony in the Industrial Age*.^[6] This might be characterised as a "Distributist social history" of America. As this book's conclusion states:

[Society should] move toward a broadened distribution of land and other private property among citizens, with a strong preference for family-held and -operated enterprises. Hilaire Belloc, the Vanderbilt Agrarians, and Wendell Berry have, in different times and places, joined in with Chesterton and Zimmerman in offering a shared vision of the good society, reborn through a primary commitment to autonomous families rooted in communities of character.^[7]

b. Wendell Berry

The quotation from Carlson's book above is a good place to mention my second important US Distributist thinker, the great Kentucky farmer, poet, essayist, and novelist Wendell Berry. I don't think Berry has ever explicitly described himself as a "Distributist", but his clear and urgent appeal to all of us to care for the land, and his distrust of conventional economics, is identical in spirit to those of the classic Distributist thinkers of the 1930s. In 2003 ISI Books published a 500-page book edited by Doug Bandow and David L. Schindler entitled, *Wealth, Poverty, and Human Destiny*.^[8] Arguably, the most incisive part of that book was a brief essay by Wendell Berry called, "The Total Economy". Its excoriating attack, couched in an utterly Distributist mode of analysis, upon the modern political gospel of globalisation reminds how colonial powers brought the market economy to Africa around one hundred years ago:

[People] gave up their local means of subsistence, and imposed the false standard of a foreign demand (“as many trees as possible”) upon their forests. They thus became helplessly dependent on an economy over which they had no control. Such was the fate of the native people under the African colonialism.... Such is, and can only be, the fate of everybody under the global colonialism of our time.... A total economy, for all practical purposes, is a total government. The “free trade” which from the standpoint of the corporate economy brings “unprecedented economic growth” from the standpoint of the land and its local populations, and ultimately from the standpoint of the cities, is destruction and slavery. Without prosperous local economies, the people have no power and the land no voice.[9].

c. John Médaille

My third American Distributist thinker is John Médaille, a Texas businessman who is also an instructor in theology at the University of Dallas. Médaille is a regular contributor to the *Distributist Review*, but his main contribution to this area of thought is his book: *Towards a Truly Free Market: A Distributist Perspective on the Role of Government, Taxes, Healthcare, Deficits, and More*.^[10] As the subsidiary title illustrates, the book is an attempt to utilise the insights of the earlier Distributists to tackle contemporary problems. It is divided into roughly two halves: the first being a critique of economic thinking, whilst the second offers some potential solutions.

The book begins by making a clear distinction between *political economy*, the subject of the early economists such as Adam Smith and JS Mill, and the modern subject of economics:

The difference between the terms is that the political economists saw their science as a humane science firmly embedded in human institutions. The new economists, on the other hand, saw their discipline not as a humane science, but as something in the order of the physical sciences, which operate independently of human intentions.[11]

This is an important and fundamental point; as the author notes, in the late nineteenth century, thinkers like Jevons, suffering from what has been termed “physics envy”, felt that to be a science, economics had to express itself in rigid deterministic laws like the physical sciences. The leading economist of that period, Alfred Marshall, deliberately left the equations out of his celebrated text book in case they gave an unjustified impression of certainty.^[12] However, in the twentieth century, best-selling economists like Paul Samuelson insisted that the subject must

have a rigorous mathematical basis; indeed, his work was modelled on that of classical thermodynamics.

However, bearing in mind the complete failure of the economics profession to predict the financial crisis in 2008, and its inability to proffer policies to restore growth to major economies, Médaille is surely right to urge us to look back to the older method of analysis. Also highly enjoyable is his discussion of the “Economic Stork Theory” developed by another fine alternative economist, John Mueller^[13]:

Modern economics tends to ignore the role of the family completely to focus on the individual. However, the individual, by himself, is sterile and not a self-sustaining entity. Neoclassical economics thus has no way to explain how new workers come into the economy, and hence it has no way to explain growth.... In the stork theory, workers arrive in the economy fully grown, fully trained, and fully socialized.^[14]

Whilst the author clearly has a good understanding of economic analysis, his theological skills also enable him to cast a searchlight on its underlying assumptions. For example, he points out that modern economics claims to be a positive science, based upon a clear distinction between facts and values. Yet he goes on to show that this distinction, so fundamental to modern thought, was originally invented as a heuristic device by medieval theologians; but with the Enlightenment “the distinction became a real one—an *ontological* distinction”.^[15] I also like the book’s assertion that markets are not natural phenomena, but are social organisms. (Anybody interested in this point ought to read Karl Polyani’s important book, *The Great Transformation*, which showed that the market-based economies we live in did not in fact arise naturally, but were imposed by national governments on top of older structures in the nineteenth century.^[16])

Yet *Towards a Truly Free Market* is not just a theoretical critique; it provides plenty of data showing how the Thatcher-Reagan “free-market revolution” of the 1980s did nothing of the sort, but merely extended the growth of the big-business, big-government axis. The book also makes the good Distributist point, a point repeatedly made by Chesterton in the 1920s^[17], that the distribution of incomes does matter. In Médaille’s terms:

A few very wealthy men simply cannot spend as efficiently as a large mass of poorer men. The CEO may make five hundred times what the line worker makes, but he cannot wear five hundred times the pairs of shoes, eat five hundred times the amount of shoes, or live in a five hundred bed mansion.^[18]

One of the main motifs of *Towards a Truly Free Market* is the need to integrate justice into economic analysis. I was pleased to see the author discuss Aristotle on this, not least on the centrality of the family, as opposed to that of the individual, and the importance of distributive justice. The theologian in Médaille also comes to the fore when he is talking about money:

The function of money is to serve as a medium of exchange. It is vitally important to understand that money is not wealth, and it is a grave mistake to confuse it with wealth. Wealth is the actual goods that we have and services we can command. Money is a claim on the circulating wealth, that is, the goods and services that are for sale at any one moment.[19]

The book's negative critique ends with a chapter entitled "The Fictitious Commodities: Land," examining the classical economist Ricardo's theory of rent, i.e., that in a fully competitive economy, all of the benefits of economic growth will be absorbed in rent. It is then a natural move to start the book's positive analysis with a chapter on "Property as Proper to Man". This discusses St Thomas Aquinas' defence of private property: that it leads to better stewardship of resources, makes economic organization simple, and reduces quarrels. Yet it also notes that Aquinas nevertheless stressed that property has two aspects: ownership and use; the first being a private aspect and the second communal. (Incidentally, although Médaille does not mention it, *Rerum Novarum* makes the same use of St Thomas.[20]) For Aquinas, the common claims on property mean that in case of need, even theft is allowed: "In cases of need all things are common property, so that there would seem to be no sin in taking another's property, for need has made it common." [21]

Towards a Truly Free Market then makes a welcome call for a revival of just wage theory:

We can judge that the just wage is fulfilled under the following conditions: one, that working families, as a rule, appear to live in the dignity appropriate for that society; two, that they can do so without putting wives and children to work; three, that they have security against periods of enforced unemployment such as sickness, lay-offs, and old age; and four, that these conditions are accomplished without undue reliance on welfare payments and usury.[22]

The author then goes back to the Ricardian theory of rent, and suggests the obvious answer to it; taxes should be focused upon ground rent, but not on property improvements, which reflect the work of capital and labour, and like other work, should not be taxed. In other words, land is unique among the factors of production in not being the work of human hands. This distinguishes it from labour, and also from capital which economically speaking is saved

labour. So if I lease an apartment, my rent will consist of “ground rent”, a return to the landlord simply for owning the land, “building rent”, a return on the cost of constructing the building, and service charges to maintain it. *Towards a Truly Free Market* briefly mentions that this idea, of just one single tax on property, dates back to the nineteenth-century heterodox economist Henry George (1839–1897). George’s basic insight was well expressed by economic historian Robert Heilbroner:

His basic criticism of society is a moral and not a mechanistic one. Why, asks Henry George, should rent exist? Why should a man benefit merely from the fact of ownership, when he may render no services to the community in exchange? We may justify the rewards of an industrialist by describing his profits as the prize for his foresight and ingenuity, but where is the foresight of a man whose grandfather owned a pasture on which, two generations later, society saw fit to erect a skyscraper?[23].

Indeed, I feel that this section of the book would have benefited from a deeper analysis of George and his work, as George was a fascinating figure in his own right; an economist who never went to college, but served as a cabin-boy and gold prospector in the California goldrush, and who became a figure of national importance in the US populist movement.[24] George’s book *Progress and Poverty* (1879) explored the paradox of rising economic inequality at a time of rapid economic and technological progress and sold several million copies, an astonishing feat for an economics book. He is sometimes dismissed as a Socialist, but this is untrue, as he disagreed with nationalization and warned that Marx’s ideas would lead to dictatorship, although he did advocate a single land tax and also controls upon natural monopolies such as roads and utilities.

Land Reform: An Impossible Dream?

One of the last chapters in *Towards a Truly Free Market* is entitled “The Practice of Distributism”. It describes successful cooperatives such as Spain’s Mondragon, founded by a Jesuit priest in the Basque country in 1941, and directly inspired by *Rerum Novarum*. People interested in Catholic Social Teaching often turn to cooperatives as an attractive model, yet the historical record shows that few cooperatives of any size are successful longer term. There are a number of reasons for this, which include problems of management and control, as well as the inability to attract capital. Médaille notes that “Mondragon’s unique form of industrial organization”, with a governing General Assembly and a separate Social Council, is a key factor in its success.

There is also a fascinating section on land reform in Taiwan, where poor peasant tenant farmers were helped by the government to buy their land. This not only created much greater social harmony, but inspired the landlord class to invest their new capital into businesses, leading to Taiwan’s remarkable growth story of the last seventy years. Again, I think that the book would have been stronger if this idea had been developed more.

Critics of property redistribution often claim that this is impossible, a crazy theoretical dream. Yet the glories of Classical Athens were based upon it! In the year 594 BC Solon, the *archon* or chief magistrate, founded Athens' democratic system. Solon also abolished debt slavery, and redistributed land under the slogan of “the shaking off of burdens”.^[25] In their time the classical Distributists were well aware of Wyndham's land reforms in Ireland in 1903. For fifty years there had been huge resentment and social unrest in Ireland due to the land being owned by absentee landlords; the reforms enabled the tenants to buy their land on the basis of long-term government loans.

Why the United States Is Fertile Soil

Yet there is one big question left unanswered; why has the United States proved to be so much more fertile soil for Distributist ideas than the United Kingdom? This is such a big question that answering it would require a major article in itself. Yet I will set out a few thoughts. First, the vast land-mass of the USA and the sense of “the frontier” in American history and popular culture make “self-reliance” a much more vibrant and realistic concept than in overcrowded Britain. Think of frontiersman Daniel Boone, or the crowds who still flock to Walden Pond. Second, and related to the first, the idea of the homestead, of the self-sufficient family farm is still a living one in America, whereas agriculture has been commercialized and big business in the UK since the 1700s.

Lastly, I would argue that right from the beginning of its existence as an independent nation, there has been a “distributist” strand in US political and economic thought. No other country that I am aware of has a concept of “State rights”—it is uniquely American. In a forthcoming paper I have set out how Thomas Jefferson is frequently described as “great” by G.K. Chesterton, an epithet he bestowed on few other politicians, on account of his battle with Alexander Hamilton for the soul of infant America.^[26] Should it have a strongly centralised central government with close links to the financial elite, as was the case in contemporary Britain and which was Hamilton's policy and belief, or should things be much more locally based as Jefferson wished?

Jefferson was American ambassador at the court of Louis XVI just before the French Revolution. In post-colonial America over ninety per cent of the population worked on the land. He was acutely aware that whereas in France the land was owned by the aristocracy although tilled by starving peasants, in America the vast majority of farmers owned their own land. In his opinion the latter would not be inclined to undertake rash and foolish actions. In a prophetic note Jefferson observed how the extremes of wealth and power there, much more concentrated even than in England, made a violent political explosion likely. Let me end with a quotation from the third US President:

The property of this country (i.e. France) is absolutely concentrated in a very few hands.... I am conscious that an equal division of property is impracticable, but the consequences of this enormous inequality producing so much misery to the bulk of mankind, legislators cannot

invent too many devices for subdividing property.... it is not too soon to provide by every possible means that as few as possible shall be without a little portion of land. The small landholders are the most precious part of a state.[27].

Russell Sparkes has a long-standing interest in both Catholic Social Teaching, and G.K. Chesterton and the Distributist movement. A former Chairman of the Chesterton Institute, in 1995 together with Stratford Caldecott he founded the Sane Economy project of the Centre for Faith & Culture. His books include: *Prophet of Orthodoxy—the Wisdom of G.K. Chesterton* (Harper Collins, 1997), *Sound of Heaven—a Treasury of Catholic Verse* (St Pauls, 2001), and *Cardinal Manning and the Birth of Catholic Social Teaching* (CTS, 2012).

[1] Russell Sparkes, “Chesterton as Economist”, in *The Hound of Distributism*, The American Chesterton Society 2012.

[2] *Rerum Novarum: On the Condition of Labour*, 15 May 1891, par.2. Official translation by the Vatican Polyglot Press is included in *The Social Teachings of the Church*, ed. Anne Freemantle (Mentor-Orbis Books, 1963).

[3] *Ibid.*, 35.

[4] Stratford Caldecott, “To the Editor: On the Distribution of Property”, *Communio: International Catholic Review*, vol. 17.4 (Winter 1990).

[5] St. Pope John Paul II, *Memory and Identity* (London: Phoenix, 2005). In particular, see Chapter 7, “Towards a Just Use of Freedom”, and Chapter 18, “The Positive Fruits of the Enlightenment”.

[6] Allan C. Carlson, *From Cottage to Workstation: The Family’s Search for Social Harmony in the Industrial Age* (San Francisco: Ignatius Press, 1993).

[7] *Ibid.*, 170.

[8] Doug Bandow and David L. Schindler, eds., *Wealth, Poverty and Human Destiny* (Wilmington, DE: ISI Books, 2003).

[9] Wendell Berry, “The Total Economy”, in *Wealth, Poverty and Human Destiny*, 415–30.

[10] John C. Médaille, *Towards a Truly Free Market: A Distributist Perspective on the Role of Government, Taxes, Healthcare, Deficits, and More* (Wilmington, DE: ISI Books, 2010).

[11] *Ibid.*, 2–3.

[12] William Barber, “Alfred Marshall”, in *A History of Economic Thought* (London: Penguin Books, 1967).

[13] John Mueller, *Redeeming Economics: Rediscovering the Missing Element* (Wilmington, DE: ISI Books, 2010).

[14] *Towards a Truly Free Market*, 39.

[15] *Ibid.*, 27.

- [16] Karl Polyani, *The Great Transformation* (Boston: Beacon Books, 1944).
- [17] See my “Chesterton as Economist”.
- [18] *Towards a Truly Free Market*, 54.
- [19] *Ibid.*, 74–75.
- [20] *Rerum Novarum*, 19.
- [21] Thomas Aquinas, *Summa Theologica*, Sec II-II, query 66 art 7.
- [22] *Towards a Truly Free Market*, 137–38.
- [23] Robert Heilbroner, *The Worldly Philosophers*, 7th ed. (Simon & Schuster, 1999).
- [24] *Ibid.*
- [25] Oswyn Murray, *Early Greece*, 2nd ed. (London: Fontana, 1993).
- [26] Russell Sparkes, “Chesterton, Thomas Jefferson, and the Soul of America”, *The Chesterton Review* (forthcoming, 2018).
- [27] Thomas Jefferson, Letter to Bishop James Madison 1785, published in *Thomas Jefferson, Life and Letters* (Heritage Press, 1992).