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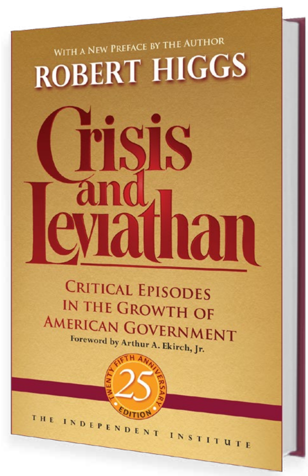

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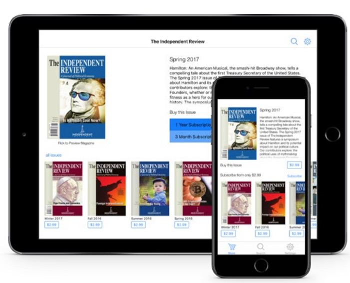

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Chesterton and Belloc: A Critique

MARCUS EPSTEIN, WALTER BLOCK, AND THOMAS E. WOODS JR.

Ever since Thomas Babington Macaulay's 1830 reply in the *Edinburgh Review* to Robert Southey's *Colloquies on Society* (1829), the Industrial Revolution and its effects on the ordinary person's standard of living have attracted ongoing scholarly attention. Macaulay was among the first of those who have sometimes been called the optimists, who believed industrialization had on balance improved the material well-being of the English working class, whereas Southey, unconvinced, planted himself firmly in the camp of the pessimists. This standard-of-living debate continued in fits and starts in the decades that followed. The optimists gained significant ground from the 1940s onward—even if the idea of the Industrial Revolution as a catastrophe for workers remained fixed in the popular mind—owing in large part to the work of historians such as T. S. Ashton and R. M. Hartwell. In fact, Hartwell all but declared victory in 1970: "Is the controversy over? As regards the standard of living—the bundle of goods—it should be, and, indeed, appears to be. Even E. P. Thompson, the most convinced pessimist, now agrees that 'no serious scholar is willing to argue that everything got worse'" (1970, 178).

Although Catholic apologists Hilaire Belloc and G. K. Chesterton appear to have sided with the pessimists, their complaints about industrialization went well beyond

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factors that could be easily quantified. The significant aspect of industrialization, as they saw it, was that a nation of small landowners had been converted in relatively short order into a nation of wage earners. Because wage earners relied on employers for their well-being, they were in important ways less secure than small property holders, who in the last resort could always fall back on their own production of necessities to see them through difficult times. According to Belloc, "A family possessed of the means of production—the simplest form of which is the possession of land and of the implements and capital for working the land—cannot be controlled by others. Of course, various producers specialize, and through exchange one with the other they become more or less interdependent, but still, each one can live 'on his own': each one can stand out, if necessary, from pressure exercised against him by another. He can say: 'If you will not take my surplus as against your surplus I shall be the poorer; but at least I can live'" (1924, 125).

Even serfdom was preferable to the situation of the proletariat following industrialization, Belloc argued, for the serf or peasant working on the lord's plot could still say of it, "This is my land." "He could not be evicted from it. The dues which he was customarily bound to pay were but a fraction of its total produce. He could not always sell it, but . . . the slave had become a free man for all the ordinary purposes of society" ([1913] 1977, 78).

According to Belloc, industrialization in and of itself was not responsible for this unfortunate situation. In *The Servile State* ([1913] 1977), he contended that English society had been substantially deformed in the sixteenth century by Henry VIII's confiscation of the monastic lands and the artificial enrichment of a class of landowners that benefited from this expropriation. This disparity in wealth persisted into the Industrial Revolution. These wealthy and powerful families used their influence to push legislation their way. We are therefore not entitled to assume, in standard libertarian fashion, that people's decision to go to the factories constituted prima facie evidence that they were making a voluntary decision aimed at the improvement of their well-being. They had been forced into this situation, Belloc argued, by an artificially created class of rich men who exploited the machinery of state to foreclose all options for them other than becoming wage earners in a factory.

Chesterton and Belloc, to reverse what they perceived as these negative effects of industrialization as it was carried out in England, advocated a system that came to be known as *distributism*, in which large accumulations of land and wealth would be discouraged through various means, not excluding state prohibitions of wealth concentration, and in which a society of small property holders would instead be the norm. Belloc called for breaking up land "trusts" and big businesses and redistributing property to an extent "that assures social sanity" ([1913] 1977, 120). Then, the distributists, to preserve their system, would support the enactment of numerous measures, such as subsidized private savings, laws against usury, antitrust laws, and laws against great wealth or land accumulation. Chesterton and

Belloc were convinced that this regime, rather than a system in which property was concentrated in the hands of a relative few and the great bulk of the population found itself at the mercy of employers and plutocrats, constituted a far healthier model for social order.

We argue here that the creation and maintenance of a distributist economy would have required state action on a scale that, given Chesterton's and Belloc's arguments against socialism, would have violated their own principles. Moreover, the distributist argument, although superficially plausible, advanced a number of key claims in a manner that suggested they were beyond debate, when in fact they were quite debatable—and in some cases flatly false. An enormous body of scholarly work published since the time Chesterton and Belloc wrote has undermined their narrative in virtually every particular.

When Hilaire Belloc recalled the Middle Ages, he saw not simply the system of widespread property (if not full ownership) he hoped to see restored in his own day, but also a system that amounted in all its particulars to a rejection of the economic liberalism he so despised. He and Chesterton were heirs of the romantics, who condemned the society (and, in this case, the economy) of their day, which they contrasted unfavorably with the utopia they imagined to have existed in the Middle Ages. Thus, for instance, Belloc spoke favorably of the medieval guilds. Unlike the Scholastics, who criticized the guilds for their monopolistic behavior (De Roover 1955, 186), Belloc looked on them quite uncritically as examples of fruitful cooperation among producers, in contrast to the cutthroat competition of capitalism. The guild system, said Belloc, was "designed to check competition between its members: to prevent the growth of one at the expense of the other. Above all, most jealously did the guild safeguard the division of property, so that there should be formed within its ranks no proletariat upon the one side, and no monopolizing capitalist upon the other" ([1913] 1977, 79). Nowhere in Belloc, however, do we read that the guilds "were frankly institutions in restraint of trade. They usually persuaded their towns to keep out, by a high protective tariff or elsewise, goods competitive with their own; such alien goods, if allowed to enter the town, were sold at prices fixed by the affected guild. . . . By city ordinance or economic pressure the guild usually compelled craftsmen to work only for the guild or with its consent, and to sell its products only to or through the guild" (Durant 1950, 634).[1] Neither do we hear from Belloc about the restrictions on sneezing in front of one's shop (because it might attract undue attention to that shop vis-à-vis others) or about the guild rule in medieval Flanders that anyone caught varying the formula for a particular scarlet dye could be "condemned to the crushing fine of £105 or, failing payment, to the loss of his right hand" (Stark 2005, 133).

In Belloc's view, "capitalism" was the enemy of the premodern economy he described. He did not define capitalism as laissez-faire or identify it with the Industrial

1. For an extended critique of the guilds, see Woods 2005, 182–89.

Revolution. In fact, he believed that industrialism could have been quite beneficial to mankind were it not for its capitalistic elements. Similarly, Chesterton did not object to industrialism or urbanization in and of themselves: "Even while we may remain industrial, we can work towards industrial distribution and away from industrial monopoly" (1927, 170). Instead, Belloc prejudiced the discussion from the beginning by tendentiously defining capitalism as the concentration of wealth in the hands of the few: the "capitalist state," he said, was "a society in which the ownership of the means of production is confined to a body of free citizens not large enough to make up properly a general character of that society, while the rest are dispossessed of the means of production and are therefore proletarian" ([1913] 1977, 107). Chesterton wrote that "the truth is that what we call Capitalism ought to be called proletarianism. The point of it is not that some people have capital, but that most people only have wages because they do not have capital" (1927x, 7). What was wrong with capitalism was that wealth, the means of production, land, and capital were held in the hands of the few and that the majority of the population was composed of "wage slaves," deprived of the independence that property ownership could bring and dependent on cold and remote capitalists for their sustenance and well-being.

Distributists have sometimes pointed to the enclosure movement as an important example of large landowners' use of state power to dispossess others of their property and rights and thereby to contribute to this unhappy outcome. Such measures, the argument goes, enriched the larger landowners at the expense of smaller, marginal ones and thus artificially created a body of people with no alternative but to flock to the cities for employment (Belloc [1913] 1977, 103–4).

Enclosures involved the transformation of lands over which common rights once existed—open fields, commons, and wastes—into property held in severalty. Scholars long underestimated, however, the extent to which enclosure had been carried out by agreement before the age of so-called parliamentary enclosures (themselves essentially a regional phenomenon in the Midlands from the latter half of the eighteenth century through the early decades of the nineteenth), which typically involved petitioning Parliament on a case-by-case basis to authorize a particular act of enclosure. J. R. Wordie has concluded that by 1760 some 75 percent of English land *was already enclosed* and that contrary to the earlier consensus, it was not during the eighteenth century but during the seventeenth that "England swung over from being mainly an open-field country to being a mainly enclosed one" (1983, 486, 488, 495). Thus, the bulk of enclosure had long since been accomplished by the time Belloc and other distributists seem to have thought it was busy creating the industrial proletariat. Moreover, the tenants themselves often initiated the enclosure, again contrary to the impression Belloc left, and even parliamentary enclosure operated on the basis of consensus.

Chesterton and Belloc wrote at a time when there was both an increasing interest in agricultural history and an inclination to accept the thesis proposed by J. L. Hammond and Barbara Hammond (1911) that parliamentary enclosures had been the primary cause of rural distress and even, in the Marxist-inspired formulation of Gilbert Slater (1907) and Wilhelm Hasbach (1908), that enclosures had been the mechanism that created a landless industrial proletariat (Mingay 1997, 2)—claims not much different from the distributist complaint about enclosures.

Again, more recent research has made it difficult to persist in this view. According to G. E. Mingay, the "modern understanding of the slow pace of the 'agricultural revolution' and of the effects of parliamentary enclosures does not, in general, support the old view that a major decline of small farmers occurred between 1760 and 1830. The land tax evidence, indeed, shows that the numbers of small owners tended to rise for much of this period" (1968, 31). Agricultural employment *increased* in the wake of parliamentary enclosure. Again contrary to Belloc, recent research has found that most of this growth in agricultural employment was the result of *a burst of small-scale production* that emerged in order to meet the growing demand for agricultural products in the industrial areas of England (Mingay 1997, 142).

Any decline in the number of small farmers had already occurred before this period, particularly between about 1660 and 1750. Among the reasons for this decline were the generally low prices that prevailed, as well as the heavy taxes of the period from 1688 to 1715. Then, too, the increased availability of occupational alternatives—Mingay cites trade, industry, and the professions—made small farming less attractive (1968, 32). Writes F. M. L. Thompson, "The peasant-owners, it must be repeated, did not disappear because there was an industrial revolution. They had gradually failed to survive over the preceding centuries" (1966, 517).

Enclosure also did not consistently pit large landowners against small ones. For one thing, the "clash of property interests was not always, or even very frequently, between large owners and small, but very often between the large owners themselves" (Mingay 1997, 56, 63–64). For another, small owners themselves sometimes initiated drives for enclosure (Mingay 1997, 14, 28–29). It was not simply the potential for greater agricultural efficiency and thus for higher output and land values that accounts for the desire for enclosures. With the reorganization and assignment of property titles and the overall rationalization of the crazy quilt of strips and plots that sometimes characterized the countryside came a welcome opportunity to commute the payment of tithes by granting a portion of land to the tithe owner in lieu of additional payments from postenclosure landowners. Enclosure also created opportunities to build more durable and accessible roads and to improve drainage capacity (Mingay 1997, 45–53). Just about anyone, whatever his economic status, could favor such improvements.

Whether the process of enclosure satisfies libertarian standards of justice is not the issue before us here, although much injustice is probably concealed beneath many modern scholars' assurances that the process (which, although it sought substantial consensus, stopped short of unanimity) made agriculture more efficient.[2] The question, rather,

2. The extent of the productivity gains brought about by enclosure remains an open question. "What can be said," according to J. R. Wordie, "is that the gains derived from enclosure in terms of productivity levels per acre of land were somewhere between substantial and formidable: taking an average of all kinds of land in all kinds of circumstances, the output gains in terms of the cash value of produce may have been anything between 50 and 100 per cent" (1983, 505).

is whether the process was responsible for systematic dispossession, the depopulation of the countryside, or rural poverty. It caused none of these outcomes.

A major aspect of Belloc's case is that the creation of an exceptionally wealthy segment of society poised to dominate the process of industrialization when it came was in some sense artificial, having been stimulated by state interference in the form of the monastic confiscations and the enclosure movement. This argument also clashes with the findings of modern research. English landowners were not providers of industrial capital. Moreover, they were separated from the business classes geographically—with the most prosperous agricultural land in the South and the major industrial areas in the North—culturally, and religiously. Landowners themselves were not a homogenous class over time, as Thompson (1966) and Beckett (1977) have shown.

And even if these acts of state interference had not occurred, the situation Belloc deplored would, by his own reasoning, have arisen anyway. Belloc once conceded that "unchecked competition must ultimately produce the rule of ownership by a few" ([1936] 2002, 43). In other words, the kind of system he criticized would have come about through the free buying and selling of property by autonomous economic actors (which is what "unchecked competition," stated less dramatically, really amounts to), so it was not simply the unfortunate side effect of exceptional events such as the confiscation of monastic properties, to which Belloc assigned the blame for so much of what went wrong in his country in the centuries that followed.

Whatever the reasons behind people's lack of "productive property," Chesterton and Belloc wanted people once again to possess such property. Chesterton believed that all men, regardless of talent, should be able to make their mark on their world (1910, 47–48). He recognized that most people, unlike himself or Belloc, were incapable of writing great prose, creating great art, or otherwise distinguishing themselves from their fellow men, but he believed that under a system of widely distributed property they could still make something of themselves.

> The average man cannot cut clay into the shape of a man; but he can cut earth into the shape of a garden. . . . The average man cannot paint the sunset whose colours he admires; but he can paint his own house with what colour he chooses. . . . Property is merely the art of the democracy. It means every man should have something that he can shape in his own image, as he is shaped in the image of Heaven.
>
> I am well aware that the word "property" has been defiled in our time by the corruption of the greedy capitalists. One would think, to hear people talk, that the Rothschilds and the Rockefellers were on the side of property. But obviously, they are the enemies of property; because they are enemies of their own limitations. They do not want their own land, but other people's land. (1910, 47)

Chesterton and Belloc saw the wide distribution of property as necessary for a society to function harmoniously and for wealth to be created. According to the former, capitalism rested on the idea that the rich would always be rich enough to hire the poor, and the poor would always be poor enough to need to work for the rich. An inevitable conflict therefore existed between these two segments of society. The capitalist would always try to limit the wages of his workers, while expecting the workers (not necessarily his own) to buy the goods he produced. Chesterton used a Robinson Crusoe analogy to describe the relationship of capitalist to worker and the prospects of this system's extension throughout the world: "Robinson Crusoe may possibly force Friday to work for nothing but his bare keep, the white man possessing all the weapons. . . . But he cannot cut down Friday's salary to nothing and expect Friday to give him gold and silver and orient pearls for rum and rifles. Now in proportion as capitalism covers the whole earth, links up large populations, and is ruled by centralized systems, the nearer and nearer this resemblance to the lonely figures on the remote island. . . . We can say only that Crusoe is now indeed alone and that Friday is unquestionably unlucky" (1927, 33).

Belloc likewise argued that capitalism made people vulnerable and insecure ([1913] 1977, 113–15). Because he saw capitalism as nothing but raw competition, he considered it inevitable that the weak, elderly, and disabled would suffer great deprivation or even death under such a system. It was likewise inevitable in his judgment that workers who *were* able to compete would nonetheless be forced to work as hard as possible in order to maximize the capitalist's profits, thereby condemning themselves in the long run to the weak and disabled category; thus, the wage-earning class that was essential for capitalism would be slowly destroyed.

Belloc thus associated "the twin evils of Insecurity and Insufficiency" with capitalism. "The main body of citizens, the Proletariat, are not sufficiently clothed, housed and fed, and even their insufficient supply is unstable. They live in a perpetual anxiety" ([1936] 2002, 28). He claimed elsewhere that "it is a necessary inference that there will be under capitalism a conscious, direct, and planned *exploitation* of the majority (the free citizens who do not own) by the minority who are owners. . . . If you left men completely free under a capitalist system, there would be so heavy a mortality from starvation as would dry up the sources of labor in a very short time" ([1913] 1977, 108, 114). The very opposite of these statements, which fly in the face of historical evidence and economic theory to a degree that reflects poorly on Belloc's commitment to truth, would be a more faithful description of reality. It should suffice for our purposes to note that the countries in which the poor are materially the most comfortable are also those in which the economic controls favored by distributists are least in evidence and in which the economic activities of free individuals are in general least encumbered (Lawson 2002, 49–50).

There is "insecurity" in a free society, to be sure, in that no one has a right to demand that his fellow men continue to pay him for performing a task they have indicated they no longer require. Such insecurity is a feature of any economic system—unless we guarantee every business owner a share of the market regardless of his abilities, courtesy toward the customer, and responsiveness to the needs of society. At the same time, the free society's alleged insecurity seems more than compensated for by the unique security its members enjoy vis-à-vis the members of a distributist society, in the form of fantastic, unheard-of levels of wealth that spring from the extension of the division of labor. A tenth-century serf enjoyed a great deal of job security, but few envy him his position (Woods 2005, 167).

Since the ninth century, the Western world has passed through numerous agricultural revolutions, each of which involved the introduction of new farming implements, methods, or fertilizers. The net result has been that fewer people have been needed to produce the same amount of agricultural output. As the economy adjusted to these new circumstances, some people were displaced from their traditional lines of work. What would Belloc have thought of these phases of Europe's economic progress? After all, they led to a great deal of what he calls insecurity. But they also made possible the sheer survival of many more people because food could be more readily produced. The same is true of any innovation that increases the productivity of agricultural labor: it makes possible a considerable increase in population. How do we weigh this consideration against Belloc's desire for stability? He provides no answer (Woods 2005, 167).

Moreover, suppose we granted the distributist premise that smaller businesses are typically swallowed up by larger firms. Is it always preferable from the point of view of "security" for someone to operate his own business or farm rather than to work for another? A person may well be better able to care for his family—and, indeed, in an important sense, be more *secure*—if he does not own his own business or follow the backbreaking schedule of working his own farm, in part because he is not ruined if the enterprise for which he works should have to close, and in part because he doubtless enjoys more leisure time that he can spend with his family than if he had the cares and responsibilities of his own business.

By virtue of working for a wage, the employee enjoys at least two other important benefits, neither of which our authors acknowledge. First, long before the initial product rolls off the assembly line or the workbench of a new business, that assembly line or workbench must be set up. Depending on the product and the technology, this setup process may take weeks or months. Even assuming that the worker possesses in his savings the wherewithal necessary to defray these expenses, what is he supposed to live on during this initial period? Because his employer covers these expenditures out of his own savings or with the help of bank credit, the wage earner need not concern himself with this matter.

Second, there is the matter of risk. All during the time the business is being launched, the workers are being paid a wage or salary for helping with this process. Suppose that when the first fruits of the endeavor are offered for sale to customers, sales are poor. The firm's owner cannot go back to his employees and ask them to return their previously paid wages. He is the residual income claimant, and if the product does not sell, then he, not the employee, must bear the financial loss.

Closely related to these points is Eugen von Böhm-Bawerk's argument against the Marxists in favor of the justice of the wage relation. In contrast to Karl Marx, who claimed that any differential between capitalist revenue and the wages paid to labor constituted "surplus value" and signaled the workers' exploitation, Böhm-Bawerk attributed such differentials to the time factor involved: rather than having to wait, say, the full year that must ordinarily elapse before the product on which he has worked is sold, the laborer can receive pay immediately. During all that time, instead of suffering the anxieties and uncertainties of the independent craftsman or shop owner, the worker consistently earns his wage. Because present goods are preferred to future goods, ceteris paribus, the capitalist is entitled to his profit because he compensates his workers in the present for the production of goods that will be sold only in the future. The worker, in contrast, prefers a lesser amount in the present to the greater amount he could have received in the future had he been willing to wait that long. The wage relation certainly benefits him (Böhm-Bawerk 1959, 269; see also Hoppe 1993, 96–97, and Woods 2005, 163–64).

Finally, Belloc seems inconsistent in calling for a kind of security and independence that only state action can guarantee by means of regulations and restrictions imposed on economic actors. What kind of independence is it, however, that entails dependence on the ongoing good will of an external organization, in this case the state? "The outward appearance of economic independence may be retained," Ludwig von Mises once said, "but in fact the beneficiary of government support turns more and more into a ward of the administration. He is no longer a self-reliant citizen, but depends on the disposition of government officers and politicians. His discretion is restricted and finally entirely nullified by a bureaucratic apparatus" (1990, 208).

Chesterton and Belloc's criticisms of capitalism notwithstanding, both writers considered themselves intractable opponents of socialism.[3] As supporters of private property, albeit property distributed among the many, they could not abide the socialist's hostility toward property, and they opposed the centralization of state power that they perceived to be a concomitant of socialism. The distributists argued that socialism merely handed over to the state the power previously held by the "trusts." Chesterton wrote that "men and women are the only means of production. I quite accept the parallel of the phrase. [George Bernard Shaw's proposition] is that the government, the officials of the State, should own the men and women: in other words that men and women should be slaves" (1928, 45). Likewise, Belloc believed that if the means of production were entrusted entirely to the state, the injustices would be many: "I might boldly confiscate and redistribute at a blow. But by what process should I choose the new owners? Even supposing that there was some machinery whereby

3. Nevertheless, some socialists claimed the distributists as their own. George Bernard Shaw, for example, once observed: "Mr. Chesterton has rejected Socialism nominally, probably because it is a rather stupid word. But he is a Distributist, which means today a Redistributist. He has arrived by his own path at my position" (Chesterton 1928, 16).

the justice of the new distribution could be assured, how could I avoid the enormous and innumerable separate acts of injustice that would attach to general redistributions? To say 'none shall own' and to confiscate is one thing; to say 'all should own' and apportion ownership is another" ([1913] 1977, 109–10).

To Chesterton and Belloc, capitalism and socialism were two sides of the same coin because under each system the average person found himself under the thumb of large, impersonal institutions, whether big business or big government. According to Chesterton, "There is less difference than many suppose between the ideal Socialist system, in which the big businesses are run by the State, and the present Capitalist system, in which the State is run by the big businesses" (1931, 13).

At a certain level, Chesterton was correct to perceive a spirit of friendly cooperation between the state and big business—a phenomenon that has only increased over time—showing through the superficial veneer of ruthless antagonism typically assumed to exist between them. Chesterton and Belloc probably could not have known in the 1920s that (among other things) the government's own regulatory apparatus had contributed to the advantages big business enjoyed (Kolko 1963; Woods 2005, 181–82; Carney 2006). But because it would have been precisely through the regulatory apparatus of government, no other institution being powerful enough for the task, that distributists would have to preserve their system of smallholders against the dangerous accumulation of property in any one person's hands, it is not clear how they would have handled or interpreted this phenomenon had they been aware of it.

Arguments about the dullness of participating in the division of labor when one might instead pursue any number of other fields that suited one's fancy were once standard Marxist fare. According to Engels, for example, communism would give "each individual the opportunity to develop and exercise all his faculties, physical and mental, in all directions." Marx called for the same thing, imagining a world in which a man could do one thing in the morning, another in the afternoon, another in the evening, and another after dinner. Lenin called for "the education, schooling and training of people with *an all-round development* and *an all-round* training, people *able to do everything*. Communism is marching and must march toward this goal, and *will reach it*" (all qtd. in Rothbard 1991, 34, 36, emphasis is Lenin's). Trotsky even suggested that man would "become incomparably stronger, wiser, finer. His body more harmonious, his movements more rhythmical, his voice more musical. . . . The human average will rise to the level of an Aristotle, a Goethe, a Marx" (qtd. in Rothbard 1991, 38).

Belloc and Chesterton did not go quite so far. Although Chesterton acknowledged in a discussion of Henry Ford that it "is probably quite true that, in the making of motors, there are a hundred men who can work a motor and only one man who can design a motor," he regretted that "of the hundred men who could work a motor, it is very probable that one could design a garden, another design a charade, another design a practical joke, or a derisive picture of Mr. Ford" (1927, 1999).

Although Chesterton's statement is witty and charming, such romantic contempt for the market overlooks the obvious objection that the number of people willing to buy a practical joke or a derisive picture of Henry Ford is probably rather small compared to the number of those willing to purchase a motor. The freedom of prices and wages on the market to fluctuate in response to (among other things) consumer demand helps people decide where their labor can be employed most profitably. Strictly speaking, a market system does nothing to prevent the individual from choosing to design practical jokes or derisive pictures or for that matter from spending his days skipping through meadows and picking flowers, rather than engaging in what Chesterton considered the prosaic drudgery of working automobile motors. The price system, however, can help to draw individuals out of their self-absorption and into an awareness of what their fellows need and how they might best help to provide those things.

More fatal to the distributists' argument, although they pose as defenders of property, is that they in fact deprive individuals of the ability to dispose of their property according to their own good judgment. One of the most fundamental aspects of owning property is the right to sell it. Belloc and Chesterton acknowledged this right, but at the same time they claimed that the Rockefellers and the Rothschilds were the enemies of private property because they did "not want their own land, but other people's land" (Chesterton 1910, 47). These families' fortunes, though, grew out of voluntary transactions, which did not involve the initiation of physical force.[4] The only way Belloc and Chesterton might have prevented the Rockefellers and the Rothschilds from amassing their fortunes would have been to forbid small property owners to sell to them and customers to buy from them. But that prohibition would have undermined the customers' and small property owners' rights to property by once again curtailing the very powers and rights we traditionally associate with property ownership.

Chesterton and Belloc portrayed the poor and propertyless (as they referred to people who worked for wages) as the victims of inexorable forces beyond their control, dispossessed of their property by the cruel machinations of the rich. Thus, if the less fortunate flocked to the factories, that action proved only that social injustice had deprived them of any alternative; it certainly did not support the libertarian claim that the poor flocked to the factories out of the self-interested motivation to improve their condition by means of pursuing their best available option. But the possibility that people might actually prefer to exchange their labor services for wages rather than work the land or open a shop did not receive from Belloc and Chesterton the serious consideration it deserved. These writers' posture is not an uncommon one among scholars, according to English economic historian T. S. Ashton: "The notion that poor men, like rich capitalists, might respond to opportunities of personal gain seems to arouse mental

4. For a splendid defense of Rockefeller on this ground, see McGee 1958.

resistance: the idea that the poor were driven from the land remains (and is likely to remain) firmly embedded in the textbooks" (1955, 47).

It is important to recall that the factories were in fact not the only alternative available to people displaced from agricultural work; other possibilities were, as Mingay points out, "remarkably numerous, at least for the young and able-bodied." He notes that "[t]he country town and large village had its various trades and crafts. . . . And there was still the biggest field for female employment (as well as for many males), domestic service" (1997, 144). Contra Chesterton and Belloc, then, people's movement from the countryside to the factories *is* revealing and meaningful, and it suggests that the factories were the best alternative they had amid an array of options, rather than an unmitigated tragedy into which their unfortunate circumstances had forced them.

The distributists' primary grievance, whether they chose to acknowledge it or not, involved the decisions made by the poor themselves, who over the years have repeatedly expressed their preference for something other than the property ownership and small-scale living that Belloc and Chesterton were convinced they should want. It is the poor, for example, who disproportionately shop at (and benefit from) the "big box" stores detested by critics of free-market capitalism, and it is thus the poor who in large measure keep those firms in business. Worst of all for those who share Belloc and Chesterton's ideology, the masses consistently reject distributism's broad-ownership mantra.

For example, Adolph Berle and Gardiner Means (1932) advocated employee stock ownership plans, or ESOPs.[5] They feared the concentration of corporate ownership in what they regarded as too few hands, and they also wished to give the worker a stake in business firms. The problem was that when employees were given shares of stock in corporations, they proceeded to sell them to obtain things they valued more highly. Had the rank and file wished to share in corporate ownership, they could have done so on their own. That they did not choose to do so indicated strongly that they did not *wish* to do so.

Consider another example. Following the conclusion of World War II, the American occupiers of Japan destroyed the Zaibatsu, large Japanese companies that were sometimes dependent on state support. The new Japanese government engaged in a land-reform plan that distributed plots of land to the peasants. Such policies certainly would have met with distributist approval. Nonetheless, many people sold their newly attained land and moved into cities entirely through voluntary choice. In addition, new Zaibatsu appeared, complete with high concentrations of wealth and workforces that consisted of former landowners who apparently had decided that they preferred to be "wage slaves" after all.

If all owners of property, no matter how it is originally distributed, have the right to control their possessions, some will end up accumulating more than others. It seems impossible to prevent this outcome without the massive use of state power, which

5. For more on ESOPs, go to http://www.esopassociation.org/whatis/.

Chesterton and Belloc, in their condemnations of socialism, have expressly forsworn. Robert Nozick (1974) called this outcome the "Wilt Chamberlain" effect. Assume any wealth distribution you like, including absolute equality. If people retain the right to do exactly as they wish with their now equally distributed property, including freely buying and selling, a "Wilt Chamberlain" will arise and attract great interest. Millions of people will gladly pay to see him exercise his talents. After all these trades are concluded, Wilt will have much more money than anyone else. The spectators will have benefited, too, in that they valued the experience of witnessing Wilt in action more than what they had to pay for this benefit. But the original egalitarian distribution will no longer exist.

In a free economy, capital is constantly being shifted—"distributed," as Belloc preferred—away from individuals and firms that do a poor job of anticipating consumer demand and toward individuals and firms that do a good job. "It passes from hand to hand," writes Ludwig Lachmann, "as unforeseen change confers value, now on this, now on that specific resource, engendering capital gains and losses" (1977, 314). Although owners are of course free to dispose of their property as they wish, they will eventually see their capital pass from their hands if they do not integrate it somewhere in the chains that lead from raw materials to the production of a final consumption good. This inevitability explains why Mises called capital ownership a "social liability" ([1949] 1998, 308). Those who own capital, if they are to continue to prosper, must put it at the disposal of the consumers' needs and desires.

Although acknowledging that the traditional definition of ownership involves the exclusive right of disposal over the thing owned, Mises contended (in an unwitting corrective to the distributists) that if we think of ownership in terms of deriving benefits from a thing, then "in the society which divides labour no one is exclusive owner of the means of production. . . . All means of production render services to everyone who buys or sells on the market. Hence if we are disinclined here to speak of ownership as shared between consumers and owners of the means of production, we should have to regard consumers as the true owners in the natural sense and describe those who are considered as the owners in the legal sense as administrators of other people's property" ([1922] 1981, 31).

George Reisman suggests that in a modern, division-of-labor economy geared toward the production of goods for the great mass of the public, it is not necessary for people themselves to own the means of production in order to reap the benefits of those things. "[I]t is of the very essence of a division-of-labor society that one obtains the benefit of others' means of production, just as one obtains the benefit of others' labor and knowledge, and that this occurs by means of the purchase of products in the market. . . . It is only in a non-division-of-labor society, in which there is little or no production for the market, in which the producer and the consumer are almost always one and the same person, that privately owned means of production benefit only their owners, or virtually only their owners" (1996, 297). Mises agreed: "To drink coffee I do not need to own a coffee plantation in Brazil, an ocean steamer, and a coffee roasting plant, though all these means of production must be used to bring a cup of coffee to my table. Sufficient that others own these means of production and employ them for me" ([1922] 1981, 31).

It cannot be surprising that the alleged problem of "predatory pricing" as a monopolizing mechanism employed by large firms against their smaller competitors constituted a significant part of the distributist worldview. In this familiar scenario, the larger store sells below cost in order to drive out its competitors, then recoups its losses and enjoys "monopoly profits" by raising its prices once its smaller rivals have folded. Belloc himself dutifully echoed this widely held notion: "The larger institution can undersell the smaller one at a loss, until the smaller one is imperiled or killed," he said, going on to repeat the equally familiar claim that the "larger unit of capital can afford to lose on its wares for a longer time than the smaller unit. If both the larger and the smaller unit are producing a particular product at a pound, both in competition sell it at fifteen shillings, each will be losing five shillings on every sale" ([1936] 2002, 43, 48).

The superficial plausibility of this scenario has kept the predatory-pricing myth alive in spite of the difficulties that historians have had in identifying actual examples of the scenario and in spite of its having fallen out of fashion among economists. "Today it would be embarrassing to encounter this argument in professional discourse," said George Stigler (qtd. in Woods 2005, 176; see also Armentano 1982 and DiLorenzo 1985). Just one of the problems with this strategy is that the large firm attempting it must endure losses commensurate with its size: a firm holding 90 percent of the market and competing with a firm holding 10 percent of the market makes losses on its 90 percent market share, whereas its smaller competitor makes losses on only its 10 percent share. As Reisman observes, "It is difficult to see the advantage constituted by nine times the wealth and nine times the business if money is lost at a rate that is nine times as great" (1996, 401). Even if this strategy could be kept up for the substantial length of time required to drive a rival from the field, the high prices the victorious firm is expected to charge in the future (according to "predatory pricing" theory) will only attract more competition, and thus the whole destructive process will need to be carried out all over again. It will likely be even more difficult the second time around because alert entrepreneurs will be in a position to purchase the defeated rival's physical plant at rock-bottom prices and thus to compete with the dominant firm even more vigorously (Leeman 1956, 330).

Of course, in some cases the larger firm can indeed undersell the smaller on the basis of advantages it enjoys as a result of economies of scale. This result is not necessarily to be deplored; there clearly *are* advantages that accrue to everyone from business concentration. "In the precapitalistic ages," Mises writes, "the difference between rich and poor was the difference between traveling in a coach and four and traveling, sometimes without shoes, on foot. Today in the industrialized parts of the U.S. the difference between rich and poor is the difference between a late model Cadillac and a second-hand Chevrolet. It is difficult to see how this result could have been achieved without bigness in business" (1990, 211).

Thus, people have had good reasons to prefer to live otherwise than as Chesterton and Belloc believed they should. But if a household or a group of households wishes to adopt a distributist lifestyle—returning to small property ownership, patronizing only small stores, and purchasing locally owned produce—very little exists to stop them from doing so. In fact, distributist Web sites call for doing just that. The voluntary adoption of distributist values by those who are attracted to them would accomplish, at least on a small scale, what Chesterton and Belloc hoped for, without the dangerous concentration of power they both claimed to oppose.

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