

## The Distributist Alternative

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When people think of G.K. Chesterton, they normally remember his literary achievements: the essays, the Father Brown stories, the wealth of aphorisms that are still widely quoted. However, I suspect that if you had asked the man himself what part of his work he was most proud of, he would have said something that is almost totally forgotten today: his advocacy of a social and political philosophy called '*Distributism*'.

In my talk today I want to tell you what this was, what its antecedents and inspirations were, and its lasting value. Distributism's main tenet was that property should be as widely distributed as possible, and business should be local. There was advocacy of the economy being centred upon the production of goods, and suspicion of the role of high finance. It was advocated principally by G.K. Chesterton and Hilaire Belloc from 1910 onwards, although others such as the Dominican priest Vincent McNabb, the artist Eric Gill, and the guild socialist Arthur Penty also contributed ideas. However, many of these latter had their own agenda, and while they were active in the Distributist movement, their advocacy of homespun craftsmanship or of the 'social credit' theories of Major Douglas.<sup>[1]</sup> They were peripheral to Distributism whose key texts are Chesterton's *Outline of Sanity* published in 1926, and Belloc's *Essay on the Restoration of Property* of 1936.

In the depressed economic conditions of the 1920s Distributism became a political movement as well as an economic programme which was led and inspired by Chesterton through a little magazine that he edited and whose heavy losses he funded. He didn't like the title, but it was called *GK's Weekly*. As the eminent Chesterton scholar Ian Boyd notes:

'If there was a classical period of Distributism, it occurred during the years 1926 and 1936 when he (GKC) was at once president of the Distributist League, and the editor of *GK's Weekly* which was its political organ. During this last decade of his life, he and his associates produced a considerable body of literature in which they attempted to supply Distributist answers to the political and economic questions of the day.'<sup>[2]</sup>

When Chesterton died in 1936 his magazine died with him. Without him Distributism lost its inspirational force; it lingered on for a few years but was essentially finished when war came in 1939. Indeed it was almost totally forgotten until it was independently rediscovered in recent years by the likes of the conservative philosopher Phillip Blond<sup>[3]</sup> and new economics analysts looking for alternatives to conventional economics. I will tell you more about them later.

### *Distributism and Economics*

My aim today is to introduce Distributism to a modern audience and describe its unique vision. However, while its ideas were powerful the political movement was not, so my objective is to focus on the key topics identified by its founders rather than giving a detailed account of the growth and then dissipation of the Distributist League.

I also intend to address the theoretical background and intellectual origins of Distributism in order to counter some of the ill-informed criticisms made against it by contemporaries. They have recently been revived by critics worried by the renewed interest in it. Probably the greatest and most persistent attack on Distributism was the notion propagated by its enemies that it was an otherworldly invention by Chesterton and Belloc as part of their romantic attachment to the Middle Ages, and alleged desire to return there. This was often caricatured as policy of giving everybody 'three acres and a cow', which was in fact a policy slogan of Joseph Chamberlain in the 1880s.

There is little truth in this argument, for, as we shall see later, Chesterton and Belloc did not reject modern technology, but they did fundamentally disagreed with the *economic system* on which modern society is based. As we shall see, they called it 'plutocracy', or rule by the rich.

Probably the original inspiration behind Distributism, was both Chesterton and Belloc's keen interest in English political, social, and economic history. I believe that Chesterton was also struck by a vein of social commentary in literary men like Dickens as well as the campaigns of the like of William Cobbett, that doughty fighter for the poor of England. Chesterton describes Dickens' hatred of the way the free-market economists of the Nineteenth Century, the so-called 'Manchester School', advocated starvation and misery for the poor as a necessary evil:

'He didn't like the *mean* side of the Manchester philosophy: the preaching of an impossible thrift and an intolerable temperance.... Thus, for instance, he hated that Little Bethel (a workhouse) to which Kit's mother went: he hated it simply as Kit hated it. (This system) was a monstrous mushroom that grows in the moonshine and dies in the dawn. Dickens knew no more of religious history than Kit; he simply smelt the fungus, and it stank.' [\[4\]](#)

Distributism was also inspired by the recent practical success of Land Reform in Ireland, and in particular by the peaceful and successful redistribution of land in Ireland which was carried out following the 1903 Wyndham Act. Both Belloc and Chesterton both knew its author, the Conservative Minister George Wyndham, who became a great friend of Belloc. Finally, they were each Catholics, and they were certainly inspired by the formidable figure of Cardinal Manning, of whom more later.

Hence the 'received wisdom' on Distributism - that its main proponents were well-meaning idealists ignorant of the real world of politics and economics is quite wrong. Indeed, Hilaire Belloc was a Member of Parliament from 1906-1910 before he resigned his seat in disgust. Chesterton was a well-known and widely respected journalist whose views helped shape popular opinion, and as such some one who was courted by the leading politicians and thinkers of his day. In 1927 Chesterton was invited to lecture at the London School of Economics:

'What impressed (me) most in the debate, entertaining and energetic as it was, was that the prevailing process of thought seemed to be not so much a pedantic or academic detachment as an almost childish literalism. Some of the brightest debaters seem to be like the schoolboy who cannot even imagine a triangle without turning it into a three-cornered tart.' [\[5\]](#)

Chesterton's comment about simple-minded literalism seems justified. In 1936 Keynes revolutionised economics by inventing *macroeconomics* in his *The General Theory of Employment, Interest, and Money*. Keynes' great discovery was that the focus of previous economists on the individual firm meant that they had ignored the fact that the economy was an organic whole; what to an individual firm was a cut in costs (wages) was to the worker a cut in income. Chesterton made exactly the same point in 1926, *before* the Great Depression began in 1929 -- but then he was not blinkered by having absorbed the doctrines of economics:

'Capitalism is contradictory as soon as it is complete; because it is dealing with the mass of men in two different ways at once. When most men are wage-earners, it is more and more difficult for most men to be customers. For the capitalist is always trying to cut down what his servant demands, and in doing so is cutting down what his customer can spend. As soon as his business is in any difficulties, as at present in the coal business, he tries to reduce what he has to spend on wages, and in doing so reduces what others have to spend on coal. He is wanting the same man to be rich and poor at the same time.' [6]

One last point about classical economics is how it has often mirrored the wishes of the rich and powerful, contradicting its earlier teaching to do so. (For example, economists encouraged governments to use fiscal policy to control the economy in the Keynesian 1950s and 1960s, and they forbade governments to use fiscal policy to control the economy in the monetarist 1980s.) As Chesterton wrote in 1927:

'But what is interesting to note is the way in which the sophistry of political economy changes and adapts itself to the needs of the luxurious at any particular moment. Whatever the politician may want to do, there is always a political economist beside him to say that it must be done, and whenever the rich want to be luxurious, it is always opportunely discovered that luxury is a form of economy.' [7]

Distributists pointed out that Adam Smith's insistence on the need to specialize and trade, rather than to produce locally, led economics to neglect transport costs, the uncertainty involved in trade, and broader environmental considerations. As Vincent McNabb pointed out, in the language of economics, Smith's error:

'I have often said that the most efficient social and economic unit is one wherein the area of production tends to be co-terminous with the area of consumption; i.e. that things will be produced where they are to be consumed.' [8]

Reflecting on the Great Depression of the 1930s, with mass unemployment because of 'overcapacity'; with widespread hunger while governments bought up and burnt food, Chesterton wrote:

'No pope or priest ever asked (a man) to believe that thousands died of starvation in the desert because they were loaded with loaves and fishes. No creed or dogma ever declared that there was too little food because there was too much fish. But that is the precise, practical and prosaic definition of the present situation in the modern science of economics... *Credo quia impossibile*.' [9]

### *The Inspiration of Catholic Social Teaching*

Another factor that contributed to Distributist thinking was the 1891 encyclical *Rerum Novarum*, criticizing current economic and social arrangements, and demanding better treatment for working people. The Latin words *Rerum Novarum* translate into English as ‘Of the New Order of Things’, but its official subtitle *On the Condition of Labour*, makes its import clear:

‘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.’ [\[10\]](#)

It was a huge surprise when Pope Leo XIII issued this encyclical. All its key ideas, the need for decent wages, the right to form trade unions, and the family as the basis of society had been strongly advocated by England’s Cardinal Manning for many years. Indeed, Leo XIII later mentioned the ‘influential communications’ he had received from the English Cardinal prior to writing it. Manning had made certain recommendations: employers should not pay starvation wages which turned the worker into a wage-slave, for a free society demanded that labour should have some choice where and how it worked, and a starving man had none. He asked that recognition should be given to associations of working men, and pointed out the work of mutual support carried out by the medieval guilds. Lastly, he requested some consideration for the family, pointing out how families of 14 or 15 were huddled together in one room, usually in appalling sanitary conditions.

Manning was a strongly charismatic figure venerated by Chesterton and Belloc. The former who gives a wonderful word-portrait of seeing the Cardinal as a young man in his *Autobiography*.[\[11\]](#) In any case, it is clear that *Rerum Novarum* explicitly sets out ideas later classed as ‘Distributist’; indeed they come straight out of the Distributist textbook:

‘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.’ [\[12\]](#)

### *The Distributist Vision*

The movement began shortly before the First World War, when in books like Belloc’s *The Servile State* (1912) and Chesterton’s *What’s Wrong with the World* (1910) the two authors observed closely the actual way the economic system worked in practice, including its political interconnections, and the way it impacted on the politically weak ordinary person. Indeed their warnings of an ‘unholy alliance’ between monopoly capital and the ‘progressive’ advocates of greater State intervention seems uncannily prescient. Chesterton’s *What’s Wrong with the World* analyses the curious alliance and effective similarity of outlook between Gudge, the capitalist, and Hudge, the would-be reformer:

'A horrible suspicion that has sometimes haunted me: the suspicion that Hudge and Gudge are secretly in partnership....Gudge the plutocrat wants an anarchic industrialism; Hudge the idealist provides him with lyric praises of anarchy. Gudge wants women workers because they are cheaper; Hudge calls the woman's work 'freedom to live her own life'. [13]

Both Belloc and Chesterton repeatedly warned that the overwhelming economic trend of the last two centuries has been for the concentration of wealth and the destruction of small businesses in both England and America. This process started in agriculture, then moved on to small industry, and has now spread to distribution. Since the Second World War such growing concentration has been most visible in retailing and other distribution sectors. The high streets of the 1960s had their small greengrocers, dairies, and bakeries, as well as small grocers' shops. Over the last thirty years the majority of these small shops have disappeared. They have been replaced by names like Tesco, and Sainsbury. As Chesterton lamented in his 1925 biography of *Cobbett*. There is not enough time to explain it here, but I feel certain that researching Cobbett's works was another inspiration for Chesterton's Distributist thinking:

'It is obvious that the process which Cobbett condemned has gone far beyond anything that he described... If ownership be the test, it has been a process and a period of people losing things and not gaining them. It has been a process of people going into service, in the language of servants, into service if not into servitude. It has been a process of people losing even the little booth at the fair, that was thought to be so poor a substitute for the little farm in the fields.... Cobbett was sorry that the small capitalists were being ruined; in the long run he may be right.' [14]

The result has been a colossal loss of economic freedom. As Chesterton states, whereas in the past, most people worked for themselves, now they are forced to work for other people. *This* was one of the key concerns of Distributism. Of course there has been a huge technological improvement in productivity over the last two hundred years. Ordinary people have things which kings could not have dreamt of owning. But notice the striking fact that average real wages (i.e. adjusted for inflation) have been falling in the developed world. This process is most noticeable in the US, where average real wages peaked in 1973, and a similar phenomenon is observable in the UK. In other words, in the US all of the benefits of the rapid economic growth seen over the last twenty-six years have been accrued by the richer minority of the population. The average man has got poorer, in absolute as well as in relative terms. In my opinion we might call this the death of the American Dream!

In *The Outline of Sanity* Chesterton gave his definition of capitalism:

'When I say "Capitalism", I commonly mean something that may be stated thus: "that economic condition in which there is a class of capitalists roughly recognizable and relatively small, in whose possession so much of the capital is concentrated as to necessitate a very large majority of the citizens serving those capitalists for a wage"... what I complain of, in the current defence of existing capitalism, is that it is a defence of keeping most men in wage dependence; that is, keeping most men without capital.' [15]

Probably the most coherent and constructive outline of Distributive thought was that

produced by Hilaire Belloc, in his book, *Essay on the Restoration of Property*. Belloc advocated:

‘A third form of society, and it is the only one in which sufficiency and security can be combined with freedom and that form is a society in which property is well distributed and so large a proportion of the families in the State severally (individually) OWN and therefore control the means of production as to determine the general tone of society; making it neither Capitalist nor Communist, but Proprietary’. [\[16\]](#)

Belloc noticed that for all practical purposes there was little difference between Communism and Capitalism in the economic sphere; in the former the mass of the population were slaves forced to work under compulsion for the benefit of a small elite, while in the latter the means of production were owned by a small group who exploited the masses as wage-slaves. Belloc's Distributist alternative was that, as much as possible, the means of production (also called by him ‘Property’) should be owned by the family unit, trading with other family units. In other words, an association of free men grouped together under its old name of a guild. Arthur Penty wrote in *Guilds, Trade and Agriculture*:

‘With the disappearance of the guilds society lost entire control over its economic arrangements, and the world has been at the mercy of economic forces ever since. It is no exaggeration to say that society will continue to be at their mercy until the guilds are restored, for by no other means can speculating in exchange be suppressed. The restoration of the guilds therefore provides the key to the economic problem.’ [\[17\]](#)

Belloc argued that there were two reasons why the economic system had to ensure that most people had property of their own, both echoing earlier teaching of Leo XIII in *Rerum Novarum*. The moral reason was that ‘Man's actions are of moral value to him if they are taken on his own initiative; not if they are undertaken under compulsion. Therefore, the use of choice is necessary to human dignity’. Hence only the craftsman in his workshop could find the real value in his work denied to the wage-slave or Communist proletariat. Secondly, there was a practical reason: ‘that widely distributed property as a condition of freedom is necessary to the normal satisfaction of human nature. In its absence general culture ultimately fails and so certainly does citizenship’. Belloc’s reasoning was surely sound on this point; it was the lack of a self-sufficient middle class in Russia which enabled the Bolsheviks to fill the vacuum left by the fall of the Tsar, while it was the ruin of the German middle class by hyper-inflation in 1923 and then by Depression which paved the way for the rise of Hitler.

*The Essay on the Restoration of Property* rejected the Marxist notion that modern technology necessitates large-scale production, pointing out that while was this true, for example, of the invention of the railways, it was not true of the motor car. While large-scale capital has many advantages, these are in many cases not natural, but the result of exploitation of financial power which would not be allowed in a well-ordered state. Belloc noted that these factors include huge spending on advertising to promote inferior products, the ability to extract large discounts from suppliers, and the ability to borrow at much cheaper rates than the small company. (I would add that Adam Smith’s system assumes that contracts will be honoured; if they are not, the high cost of legal action puts the small proprietor at a huge disadvantage against a large company - a point repeatedly made by both Belloc and Chesterton.)

In 1934 the Distributist League, with Chesterton as its President, published its programme:

- a) The restraint of unjust competition
- b) The redistribution of property
- c) The creation of conditions favouring small ownership
- d) Extended ownership of industries which necessitated large-scale production
- e) Laws to protect distributed property
- f) A return to the land
- g) The encouragement of Distributist principles by the individual

In *The Outline of Sanity* Chesterton advocated boycotts as one means of effecting the change to a Distributist system:

‘If we chose to make a vow, if we chose to make a league, for dealing only with little local shops and never with large centralised shops, the campaign could be every bit as practical as the Land League in Ireland. It would probably be nearly as successful. It will be said, of course, that people will go to the best shop. I deny it, for Irish boycotters did not take the best offer.’ [\[18\]](#)

Other proposals in that book are:

- 1) The taxation of contracts so as to discourage the sale of small property to big proprietors and encourage the break-up of big property among small proprietors.
- 2) Something like the Napoleonic testamentary law and the destruction of primogeniture.
- 3) The establishment of free law for the poor, so that small property could always be defended against great.
- 4) The deliberate protection of certain experiments in small property, if necessary by tariffs and even local tariffs.
- 5) Subsidies to foster the starting of such experiments
- 6) A league of voluntary dedication.

Two things strike me about Chesterton’s list. Firstly, how practical it is- nothing about ‘cows and acres’ here, rather a pragmatic assessment of a modern economic and political system. Secondly, note point 2 about inheritance -- it is exactly the same as that made by Thomas Jefferson at the birth of the USA. If we think that great extremes of wealth and poverty are a bad thing -- and Distributists do -- then we must have means to

prevent great fortunes accumulating across the generations. Indeed, the Middle Ages were sufficiently worried about this to have a law, *mortmain*, preventing perpetual trusts.

It is worth noting that after the Second World War most of Continental Europe passed laws prohibiting the excessive development of supermarkets. Whether the generally Christian Democratic governments knew of Distributism is unclear, but they certainly saw the survival of the small shopkeeper as a bulwark against the revival of Fascism.

Of course nothing similar occurred in the United Kingdom, only the opposite. For example, retail price maintenance, whereby manufacturers could insist that all shops charged the same price for their products, was abolished by government decree in 1963. The economic theory was that this would lead to cheaper prices. In practice it enabled well capitalised companies to cut prices *temporarily*, until small food shops were driven out of business. The result in most areas was a local monopoly of one large superstore - and *permanently high prices*. The same phenomenon can be seen in the book trade since the collapse of the agreement not to discount books. Bestsellers are sold like baked beans in supermarkets - and small book shops have closed everywhere.

Chesterton also advocates that small shops should be allowed to open on certain holidays when large shops should be forced to shut. This is what happened, in effect, in the UK owing to the Sunday Trading laws. Small food shops were allowed to open, while larger shops had to remain shut. In the late 1980s the retail chains found this too restrictive, and started to break the law by opening on Sunday. Rather than enforce the law, the Conservative government decided to change it as the 'law was coming into disrepute', and the Sunday Trading Act of 1991 did so - one more nail in the coffin of the small trader.

Theoretically, the key distinction to bear in mind is that between *production*, and that of *exchange*. When the Distributist thinks of ownership, he thinks of a family owned farm, or other small business, cherished and handed down over the generations. For the capitalist, ownership is essentially a short term phenomenon, a transaction made with the aim of making a short term profit. Think of a share in a company, which owned by several different people during the course of a day. Arthur Penty wrote in 1920:

'Reduced to its simplest terms, the change necessary to enable society to escape from the deadlock that is threatening industry is conveniently expressed in the well-known formula:- "the substitution of production for profit by production for use".<sup>[19]</sup>

Of course, Distributism was also a philosophy. Chesterton and Belloc recoiled from the idea that the best humanity could achieve was a balance of grasping selfishness. In one of his later editorials of *GK's Weekly* Chesterton wrote:

'When I began it, I merely thought it reasonable that there should be one weekly paper to represent a reasonable alternative to conventional Socialism and academic Socialism. But I now realise... that we have taken on something much bigger than modern Capitalism or Communism combined. I realise that we are trying to fight the whole world; to turn the tide of the whole time we live in; to resist everything that seems irresistible.... For the thing we oppose is something of which capitalism

and collectivism are only economic by-products... It is so vast and vague that its offensiveness is largely atmospheric; it is perhaps easier to defy than to define. But it might be approximately adumbrated thus; it is that spirit which refuses Recognition or Respect.’[\[20\]](#)

### *A New Dawn for Distributism?*

However, I want to leave you today on an upbeat note. Within the last twelve months three books have been published which have looked positively at these ideas of Belloc and Chesterton. All of them look critically at the unquestioning application of ‘free market economics’ which must take a large share of the blame for the credit crunch of 2008-2009 which in turn led to the worst global economic slowdown since the 1930s. Fragile banking systems have appeared to come close to collapse, and the crisis has resulted in a surge in government borrowing which will result in savage cutbacks in public spending.

One of these books was American, one was by the conservative thinker Phillip Blond, and the last was on new economics coming from a radical ‘leftwing’ viewpoint. However, what is even more surprising given this viewpoint is the book’s statement that the origins of the ‘new economics’ derive from Catholic Social Teaching as publicised by Chesterton and Belloc as ‘Distributism’.

‘The one 20<sup>th</sup> century movement that embedded elements of what is now the new economics was Distributism,... (this) knitted together the old Catholic social doctrine of Pope Leo XIII that was so close to Belloc’s heart, inspired originally by Ruskin via Cardinal Manning.... At its heart was the redistribution of land and property so that everyone had some - on the grounds that small enterprises, smallholdings and small units were the only basis for dignity, independence and liberty.’[\[21\]](#)

*This talk was delivered to a conference of ‘Chesterton in the Chilterns’ on 9 October 2010.*

## **References**

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[\[2\]](#) Ian Boyd, *New Blackfriars* 55, 1974.

[\[3\]](#) Phillip Blond, *Red Tory-How Left and Right have broken Britain and how we can fix it*, Faber & Faber London, 2010

[\[4\]](#) G.K. Chesterton, *The Victorian Age in Literature*, London, Home University Press, 1910.

[\[5\]](#) G.K. Chesterton, ‘The Simple Realist’, from *G.K.’s Weekly*, 22 October 1927.

[\[6\]](#) G.K. Chesterton, *The Outline of Sanity*, (first published 1926), reprinted Ignatius Press 1992, page 59.

- [7] G.K. Chesterton, 'Very Political Economy', from *G.K.'s Weekly*, 5 August 1927.
- [8] Fr Vincent McNabb, *Old Principles and the New Order*, Sheed and Ward 1942, page 12.
- [9] G.K. Chesterton, 'Reflections on a Rotten Apple', published in *The Well and the Shallows*, Sheed and Ward 1935. 'Credo quia impossibile' means 'I believe it because it is impossible'. It is a quotation from the Church Father Tertullian on Christ's Resurrection.
- [10] *Rerum Novarum- On the Condition of Labour*, 15 March 1891(S3). Official translation, the Vatican Polyglot press, included in *The Social Teachings of the Church*, ed Anne Freemantle, Mentor-Orbis books 1963.
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- [20] G.K. Chesterton, 'Spiritual over Political', *GK's Weekly*, 7 December 1929.
- [21] David Boyle and Andrew Simms, *The New Economics- a bigger picture*, Earthscan 2009.