THE POLITICAL ECONOMY OF CULTURAL CONSERVATISM

by William F. Campbell

There are two main growing points within the conservative movement. One has been the resurgence of classical liberalism, which is most closely identified with economics. From the reinvigoration of Austrian economics, the Chicago school, classical economics known more journalistically as supply-side economics, public choice movements, law and economics, to rent seeking and constitutional economics, the constitution of liberty is being refurbished. We can only hope that no one throws a bomb at George Mason University where major chunks of these movements are housed.

The second growing point is on the traditionalist side of the conservative movement which has stressed or added (depending on the type of libertarian) the goal of virtue to individual liberty. A useful umbrella term to comprehend this activity is cultural conservatism, with the traditionalists on the high side of the cultural spectrum and the New Right on the low end of the spectrum.

But as first and second generation conservatives have always known, and had to live with as an unpleasant skeleton in the family closet, there is sharp tension, if not contradiction, between the traditionalist and the libertarian wings of the conservative movement. They have been held together primarily because of their common enemies, modern egalitarianism and totalitarian collectivism, which they both abhor.

It is perhaps also true that, as long as the traditionalist or cultural conservatives did not come too close to public policy, tolerance or at least indifference could keep things amicable. Sticks and stones may break my bones, but broad platitudes can never hurt me.

Toughening the Conservative Movement. In addition, there are a number of conservative groups that span the spectrum – however much they lean in one direction or another. I need only mention such organizations as the Institute for Humane Studies, now located at George Mason University; the Liberty Fund located in the true heartland, Indianapolis, Indiana; the Philadelphia Society of North Adams, Michigan; the Intercollegiate Studies Institute in Bryn Mawr, Pennsylvania; and, of course, The Heritage Foundation here in Washington.

But there are now arising both within the Beltway and beyond movements and organizations that are toughening the conservative movement. Wandering around in Alexandria, Virginia, when I first arrived in the Washington area, I discovered the intriguingly named Heritage Gallery of Classical Realism. I thought that perhaps Ed

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Feulner had pulled off a conglomerate merger, but to my surprise, discovered that it was a purely commercial enterprise selling strongly traditional art. I also recently received the *American Arts Quarterly*, Winter 1988 issue, with the lead article on "Conservative Culture."

Journals dealing with the arts and culture from a conservative perspective have always been around, however tenuous and fragile their existence – one thinks of the old *Freeman*, *The American Review*, *The American Mercury*, and more recently such journals as *The New Criterion*, *Commentary*, and *This World*. Book publishers such as Henry Regnery have always been eclectic, a tradition maintained by the *American Citizen*'s Alfred Regnery and David Bovenzier, who distribute Hayek and Friedman as well as Weaver and Chesterton.

Out of the hinterlands, otherwise known as the real world, the Rockford Institute, *The Chronicles of Culture*, through John Howard and Allan Carlson have been hitting consistently hard on cultural themes for many years now. Here in the Beltway area, organizations such as the National Institute for the Humanities under the able direction of Claes Ryn are stressing cultural themes that go far beyond, but also include, economics. The publications and conferences of Ernest Lefever's Ethics and Public Policy Center obviously hit on cultural themes as well as economics and foreign policy.

Economics and Culture. However little mention of them has been made in recent discussions, some of the most stimulating work in keeping the economy and the culture together has come from George Gilder, Michael Novak, and Irving Kristol, who have not been properly attended to by the economists because they are not model builders. A recent advertisement for the *New Palgrave Dictionary of Economics* shows a man looking slightly perplexed, and it says in the background, "How To Fit 900 Economists Into Your Office." As if he did not already have enough troubles.

I mention all these organizations and individuals not to be encyclopedic, for I have left out many, but to indicate the range and depth of scholarship and public policy research that already exist in this area.

My purpose here is to assess the political economy of cultural conservatism, particularly its most recent expression in the book, *Cultural Conservatism: Toward A New National Agenda* put out by the Institute for Cultural Conservatism. I wish to show that it is distinct from libertarian economics, not only in terms of some practical policy conclusions, but also in its theoretical foundations. No surprise there. More contentiously, let me also put forward the hypothesis that it is a superior guide to public policy because it moves beyond transactional analysis to character analysis. The fundamental question for the social sciences is always: does government, at any level, have the function of being concerned with the character of its citizenry? Or instead, should one assume that the government is a creation of a state of nature with voluntary consent as the ideal?

ECONOMIC METHODOLOGY

A colleague recently told me that he had had problems getting a sabbatical leave because the committee claimed that he had given insufficient attention to the methodology in his proposal. He explained, of course, that it was really a political prejudice against his type of

work, which is reading books, assimilating thought, particularly conservative thought, and that they were looking for anything into which they could stick their knives. Bill Campbell's law of methodology is that "When you're talking methodology, you're talking religion." The old *odium theologicum* has been replaced by methodological disputes, for which the Latin phrase might be something like *tedium methodolgicum*.

THE PROBLEM OF SCARCITY

It is amazing to me that those who trumpet the importance of methodological individualism seem so neglectful of the radical dimensions of what this should entail. There is no such thing as the "economic problem." There is no generic problem of scarcity. There is no value-free concept of efficiency. These abstractions do not come from methodological individualism. All we truly have are individuals who want more. The desire for more, either in our individual souls or in the souls of those whom we are addressing, cannot be taken at face value. Some attempt must be made to make sure that these wants are in fact legitimate.

Therefore the only valid methodological individualism that is not in fact a disguised libertarian social theory must be based on either the Socratic method of dialogue or the Christian method in the Gospels that discerns that people are needy. The things that they want are not necessarily what they should have. It is true that Martha is busy about many things — should she be the patron saint of the American housewife? — but Mary is concerned with the "one thing needful."

True Orienting Points. William Lind and William Marshner, the authors of *Cultural Conservatism*, when they attack a "me first" ethic of greed and ostentation, are making the same point that not all wants ought to be satisfied. Such a critique does not undermine the importance of markets and private property, it only affirms that there are things beyond supply and demand, such as human character, which are the true orienting points for human activity.

Wilhelm Roepke, the single most important conservative economist of the 20th century, always tried to steer between the shoals of ignorant moralism and blind economism. Economists, most often of the Chicago school variety, have veered in the direction of blind economism. Wrong-headed moralism can be from either the Left or the Right. The treatment of economic and social issues in church pronouncements usually comes from the moralistic Left. But many libertarians in their narrow defense of property rights as the only principle of social organization provide another example of ignorant moralism.

THE ROOTS OF THE CONSERVATIVE POLITICAL ECONOMY

The political economy of cultural conservatism harkens back to an older tradition of politics where economics is subordinated and understood in such a way that the utility closet is where you put mops and brooms. In Greek, economics meant household management; the focus of education including the virtues stems from classic Greek and

Roman thought; it is preserved in Christian thought and incorporated in the complex tradition of American Federalism and the doctrines of police powers.

At the core of a conservative political economy is recognition of the complexity of human affairs. One might almost use Xenophon's description of Socrates in the *Memorabilia* as a rough indicator of the nature of this inquiry. Socrates thought "it a kind of impiety to importune the gods with our inquiries concerning things of which we may gain the knowledge by number, weight, or measure; it being, as it seemed to him, incumbent on man to make himself acquainted with whatever the gods had placed within his power: as for such things as were beyond his comprehension, for these he ought to apply to the oracle; the gods being ever ready to communicate knowledge to those whose care had been to render them propitious."

There is no escape from the necessity of having to decide which problems should be handled by number, weight, or measure and which should not. But the decision of what to count and when to count cannot be decided by any mechanical procedure whatever, whether it is the marketplace, cost-benefit analysis, or even Pareto-Wicksell unanimity.

Instead of grinding out results from a utilitarian calculus or from an infallible process of voluntary exchange, the social scientists would be better advised to use the term sifting. Sifting means to separate out the coarse from the refined grains of wheat. Sifting is a much better metaphor for rational thought and examination because it recognizes that there are different kinds of things in the world; it is perhaps messier because there are always borderline cases. But sifting allows for differences in kind and does not require uniformity or equality. As Willmoore Kendall has emphasized, the whole business of discriminating between things that are different in nature is part of the intellectual life.

LET'S PUT UTILITY BACK IN THE CLOSET

One of the great difficulties that economists have in communicating with the public is that they use words in a technical sense that convey something totally different to the general public, even to other academics. Economists, for instance, have long been fascinated with the concept of utility. When we say that individuals maximize their utility, we are not denying charitable motives; we are not creating a science of egoism. Mother Teresa maximizes her utility as much as Ivan Boesky.

Utility comes up because social scientists need something commensurable such as matter to be in social motion. Everything must be comparable in terms of some common denominator. This reductionist urge stems from the desire to be the universal social science and have unequivocal policy conclusions.

Milton Friedman, for example, argues that all goods "have some common characteristic that makes comparisons among them possible. This common characteristic is usually called utility." But there are two different games that one can play with utility. The Chicago grinders wish to quantify and measure as much as possible; this would be the original social scientific urge begun by Hobbes and best expressed in Jeremy Bentham's "felicific calculus." Since utility is notoriously difficult to quantify, proxy variables must be found.

For Chicago-oriented thinkers such as George Stigler and Richard Posner, the concept of "wealth" is more tractable than utility. Wealth defined in terms of market value or ability and willingness to pay has been one very popular variant. For example, Richard Posner states that "Wealth is the value in dollars or dollar equivalents (an important qualification as we shall see), of everything in society....The only kind of preference that counts in a system of wealth maximization is thus one backed up by money — in other words, one that is registered in a market."

Engineering Approach. One other perfectly consistent fashion in which the economist can maintain his hard-nosed purity of scientific efficiency and optimality can be seen in Gary Becker's work on crime and punishment: "Reasonable men will often differ on the amount of damages or benefits caused by different activities. To some any wage rates set by competitive labor markets are permissible, while to others, rates below a certain minimum are violations of basic rights. To some, gambling, prostitution, and even abortion should be freely available to anyone willing to pay the market price, while to others, gambling is sinful and abortion is murder. These differences are basic to the development and implementation of public policy but have been excluded from my inquiry. I assume consensus on damages and benefits and simply try to work out rules for an optimal implementation of this consensus.

The main contribution of this essay, as I see it, is to demonstrate that optimal policies to combat illegal behavior are part of an optimal allocation of resources. Becker here displays an engineering, bridge-building approach to economics. You tell me exactly what you want, and I will minimize the costs.

The Austrians play another game, but it is closer to computer bridge than Chicago football. It is a game they always win because they hold all the trump cards. In their game, all values are subjective preferences with democratic equality between them all, as long as they are not expressed through coercion or violence.

Individual liberty is the only moral right, and property rights is the name of the game. Individual freedom or autonomy of the individual will become a moral absolute for an axiomatic system. Libertarianism or Paretian Welfare Economics (whatever the tensions between them) are the results of these axiomatic systems.

Distorted Terms. Thinkers of this type would be opposed to the Posnerian or Chicago school attempts to define wealth in any way detectable to an outside observer; radical subjectivity is required. And they usually end up with absolutist views of property rights. As Mario Rizzo put it, "the essential principle underlying rights is that they must act as a trump or protection against distributions on the basis of the general welfare. Efficient resource allocation (or 'wealth maximization' in the social sense) is no less an aggregative common-good idea than some of the vaguer notions fashionable in many quarters." Therefore even Posner is a dangerous character for the libertarian.

If I may indulge a bit of whimsy here, it is time for economists to put utility back in the closet. The terms "utility" and "self-interest" have become so distorted by the dictates of scientistic necessity or tautological security as to become meaningless. The original core of

utility was the usefulness of something to accomplish mundane, everyday tasks. A closet to store brooms and mops is a useful thing to have around. The purpose was to distinguish the events of ordinary, everyday life from the aesthetic, the ethical, and the sacred. In the same way as people today keep the living room untouched except for special occasions and use the family room all the time, distinctions should be maintained in the social sciences.

We need to preserve the original understanding of these terms in such a way as to be able to make sense of Tocqueville's "self-interest properly understood" or Adam Smith's esteem for prudence as an important virtue, however low on the totem pole because of its coldness. We need to be able to stress the moral context within which the economic virtues may flourish and be properly ordered.

Enlightened Self-Love. Tocqueville's properly understood self-interest goes beyond Smith's prudence. His description is that, "The Americans enjoy explaining almost every act of their lives on the principle of self-interest properly understood. It gives them pleasure to point out how an enlightened self-love continually leads them to help one another and disposes them freely to give part of their time and wealth for the good of the state."

There is one older variation on the theme of defining economics as the science of wealth that is nobler and less comprehensive than that of Posner. It can be found in early 19th century attempts to define economics as the science of wealth defined in terms of exchange value by Malthus or Archbishop Whately's "catallactics." Both of these attempt to delimit economics to an important part of reality and not make of it a general science of human action. The purpose was to preserve the reality of those things beyond supply and demand, beyond exchange value, and allow dimensions of human experience that were not reducible to the market test of exchange value.

A good case, then, can be made for saying that economics is concerned with material wealth – if the saying is interpreted in a sufficiently rigorous materialistic fashion. But modern economics, of whatever stripe, cannot accept this limitation. Everyone, Austrian and Keynesian and Marxian, would find the Marshallian definition of economics as being concerned with the "ordinary business of life" as too restraining and too old-fashioned.

It is precisely this kind of common sense interpretation of the meaning of economics that Lind and Marshner preserve in their book. When they say that the politics of the near future is not going to revolve around economics but around styles of life, they are using the term economics in its original, limited, and restrictive sense.

TYRANNY: PRIVATE AND PUBLIC

One of the main differences between the conservative and libertarian approaches to economics is the understanding of tyranny. Libertarians tend to restrict tyranny to public power and the role of the state. A conservative approach recognizes that the tyrannical soul ultimately stems from the liberation of private appetites.

Character formation is as much concerned with the tyranny of individual appetites as it is with the public tyranny. The unlimited desire for more can be found in the Midas myth that we all know from our childhood days. Old Midas "dreamed of everything turned to gold, and his hopes soared beyond the limits of his imagination." In the Christian tradition we have the beautiful passage from the Magnificat, Luke 1:51-53, "He has scattered the proud in the imagination of their hearts, He has put down the mighty from their thrones, and exalted those of low degree; He has filled the hungry with good things, and the rich He has sent empty away."

Coming from Louisiana, I cannot forget the opinion of Huey Long, "Every Man a King." Too often, the right wing economists relish the opposite idea: "Every man a tyrant." Recent experience with Brother Swaggart in Louisiana convinces me that the right wing economists are closer to the truth. However, instead of trying to educate or transform the tyrants, they simply wish to find an institutional mechanism, a piece of machinery, to prevent one tyrant from bodily harming another.

The conservative is concerned with the dimensions of positive liberty as well as the negative definition of liberty as simply the absence of coercion. The ultimate purpose of political economy and political arrangements is the formation of excellent character.

American Proprieties. Martin Diamond has brought our attention to the bourgeois virtues which used to be part of the American way. The distinction between avarice and acquisitiveness is important – the latter requiring many virtues of pluck, enterprise, hard work, thrift, and forethought – while avarice is simply an individual vice. Walter Berns has also pointed out that the revulsion against the Declaration of Independence ultimately stems from a fear of John Locke as a defender of significant disparities of income and wealth, which are unacceptable to modern egalitarians. But he also argues that there is anxiety that in embracing John Locke one embraces "acquisitiveness, which bears a certain resemblance to covetness, a mortal sin according to traditional Christian doctrine."

Marshner and Lind are careful to observe the American proprieties. Although they quote the Oliver Goldsmith tag, "Ill fares the land, to hastening ills a prey, where wealth accumulates, and men decay" at the beginning of their chapter on economics, they would have been better served by the amended version provided by Hilaire Belloc, "Ill fares the land, to hastening ills a prey, where wealth accumulates, and men decay, but how much worse are those where wealth declines and population grows."

They are very decidedly for growth and lower taxes. Their arguments stress the cultural aspects connected with the nature of the American experiment. They do not dismiss conservative supply-side economics as voodoo economics. Presumably George Bush, when he was attacking Reaganomics, meant that voodoo economics was white magic, creating something out of nothing, or the idea that there was such a thing as a free lunch.

Attacks on the Yuppies. The same emphasis on the moral significance of the economic virtues had been made by Joseph Baldacchino in his book on *Economics and the Moral Order*, put out by the National Humanities Institute. Russell Kirk's introduction and Baldacchino's text stress the intrinsic qualities of certain virtues and their connection to the economic order. For example, the old Roman *industria*, working faithfully and well, is

placed alongside the old Roman fortitude, which is the ability to take risk and endure hard times. Kirk stresses the importance of generosity (the admiration of the achievement and quality of others) as opposed to envy, which is one of the greatest if least observed sins of the twentieth century.

Irving Kristol has pointed out the dangers in the transition from the bourgeois ethic to the self-gratification of the consumer ethic. These are precisely the kinds of themes that Lind and Marshner are emphasizing in their attacks on the Yuppies and the new life styles that revolve around liberation.

LABOR AND THE COURT MENTALITY

One of the more interesting and least developed chapters in Lind and Marshner addresses the difference between bureaucratic management and corporative institutions, in which they attack the "courtier" aristocratic mentality in both its public and private manifestations. This kind of court mentality is also described as the basis of the Yuppie mentality at the end of the book where patrons and clients and "networking" are described as having become more important than the product being produced. They also excoriate the change in the term professional, which once meant a standard to which work was done, but now simply means a higher status.

One can always argue that these inefficient private bureaucracies are being optimally rooted out in the private sector by corporate takeovers and sharks. The only inefficiencies that remain are optimal; there is no point in attacking them or for government to set its own house in order as a public example. But there may be more play and/or stupidity in the economic system than there are intelligent entrepreneurs to eliminate such foolishness.

THE GOVERNMENT OF THE GAPS ARGUMENT

Lind and Marshner also attempt to avoid the typical liberal argument of "market failure" as the rationale for the expansion of the state. Theologians are familiar with the "God of the Gaps" argument – that when you run out of explanatory variables you bring in God. The liberals typically create the "Government of the Gaps" argument. Markets fail in one respect or another, therefore omniscient, omnipotent, benevolent government must come to rescue the failing market. Lind and Marshner try to avoid the federal bureaucracy because they know from the public choice literature that bureaucrats' goals are not simply the disinterested pursuit of the public good, but also include self-perpetuation and self-aggrandizement. They wish to expand their size, budget, power, and perquisites.

Even though Lind and Marshner have an agenda for government larger than the classical liberals would like, they have few illusions about the difficulty of translating good intentions into practical policies, although they occasionally lapse into utopian hopes when they say that, for their agenda to work, "there will have to be an ironclad commitment on the part of Federal authorities to reverse their unwarranted permanent interventionism."

POLITICAL ECONOMY OF GRATITUDE

A conservative political economy is inspired by gratitude. Perhaps it is true to say that economics today is more short-run than the older classical economics. Keynes's "in the long run we are all dead" was meant as moral cynicism as well as a public policy insight. The conservative's perspective is based on glimpses of eternity rather than just simply a secular long run. As Lind and Marshner put it, we have a sacred trust to preserve what our fathers built so painfully for us. Moses and Homer are tied to us by a common human nature which does not transmute over time; we are not evolutionary products manufactured by the turn of events.

The concepts of stewardship and proper care for the good things of this world should not be simply abandoned to the soft, ecological Left. It is an empirical question of whether government or the market has a shorter time horizon; private property and ownership have usually brought about better management, as social thinkers from Aristotle to classical liberals of the New Resource Economics have recognized.

Nor should one sink into the fallacy of misplaced religiosity by making the environment into a temple. All these tendencies of the Left again result from a refusal to recognize the complexity of the world. There is a time and a place for everything and everything in its place.

But in the chapter on economics, there are some areas where Lind-Marshner might walk more judiciously. They have been attacked, correctly, for their too easy characterization of early, exploitative capitalism with its enclosures, sweatshops, piecework, child labor, and seven-day weeks. That is standard fare on the Left, and the debate continues on among the economic historians as to the realities of the times.

One can always make the *a priori* argument that, if things were done voluntarily, they "bettered their position," and capitalism always makes people better off; if they were coerced or exploited, then it was not capitalism by definition. But economists need to remember that, when those supply and demand curves are shifting around over the blackboard, there is a harshness and a discipline of the market that lies behind the new aesthetically pleasing equilibrium point.

The conclusion I draw from the literature is that the early industrial revolution is a nice time to visit intellectually, but you would not want to live there.

THE QUEST FOR COMMUNITY

In the chapter on community preservation, the authors frankly admit that "solutions are less apparent than needs" and that "many of the causes of the breakdown of community are inherent in modern life and must be accepted." Among the latter are automobiles and television. The authors rightly also are optimistic that some technological changes, for example, the computer, may be a help for decentralization. They are not anti-technology as such.

But communities, a shared way of life that is not narrowly focused on one thing, are necessary for the perfection of human nature. Here the Lind-Marshner specifics tread on dangerous grounds for conservatives and particularly libertarians.

They believe that the collapse of traditional manufacturing industries, particularly in the Mid-Atlantic and Midwest regions, should lead government to preserve their economic viability. Zoning should be encouraged. Historical and architectural preservation should be encouraged through tax credits and state revolving funds. The family farm should be supported and fostered by federal agricultural support programs. Tariff protection should be granted for a limited, nonextendable number of years so that labor and management can have time to restructure and to become competitive.

Misuse of Symbolism. Libertarian and economic arguments have been particularly persuasive on many of these proposals. Their argument goes beyond stating that such policies are simply immoral, but even more devastating, that they are simply inefficacious. The agricultural programs cynically misuse the symbolism of the family farm and the independent yeomanry to help out agribusiness and wealthy farmers. Protectionism and infant industry arguments create special interests who never grow up.

But let us be careful here. Lind and Marshner do not really make an economic argument for protectionism. Their proposal is simply one of temporary social adjustment, which may or may not be persuasive on public choice grounds, but it is not an economic fallacy. Wilhelm Roepke and the Third Way also entertained such expedients, including community preservation.

But what if policy could be promoted that would in fact achieve the end desired: the preservation of small family farms and local communities which promote virtue. Would that make any difference? Do the prudential outcomes have any significance for the economist or is he so process oriented that, if something does not survive the test of the market, he must ditch it; if it does survive the test of the market, he must put up with it.

In much the same way that the Pope apparently wants to appear even-handed between capitalism and communism, Lind-Marshner pit the class conflict theories of Marxian communism against the social Darwinism of capitalism. It is curious to note that Lenin had his own variant of voodoo economics, and it is curiously similar to what Lind and Marshner say are the evils of social Darwinism. Lenin, after the failure of war communism, sprightly declared, "If anyone tells us that socialism can be achieved without learning from the bourgeoisie, I know that the speaker has the psychology of a Central African native. We cannot conceive of a socialism other than that founded upon all the teachings we can take over from the great capitalist cultures." These teachings included such capitalistic devices as piece-work (about which Adam Smith had grave doubts on the grounds that it debilitated and exhausted the workers), the Taylor system, and Western technology (especially electrification).

But when all is said and done, there is little or no social Darwinism in contemporary defenses of capitalism, unless you mean by that finding a defense of competition in weeding out the inefficient users of resources.

POVERTY AND THE WELFARE STATE

What are we to make of such statements as, "The enormous financial resources of federal and state government should always be there to underwrite our commitment as a society to those who genuinely need help." And "Liberal scholars have opened the door, and conservatives have an invitation to walk in. Needless to say, the door will be slammed firmly in their faces if they talk of the wholesale abandonment of the welfare system or harp on waste, fraud, and abuse and the shiftlessness of the poor. But if conservatives are prepared to recognize the good intentions and the legitimacy of many of the goals of the War on Poverty, and to focus on mechanisms within and outside government to achieve these goals, the liberals show every sign of readiness to open peace negotiations." They sound a little mushy for traditional conservatives. But these quotations are not taken from Marshner and Lind, but instead from Stuart Butler and Anna Kondratas's *Out of the Poverty Trap*.

Wise Paternalism. Essentially Marshner and Lind would share these sentiments. They believe we have a social obligation toward the less fortunate that includes a role for the state. They would also, I believe, affirm the idea that a wise paternalism looks to the ultimate maturity of the children. They would replace the slough of despondency and dependency with the ladder of opportunity.

Dollar welfare or throwing money at the problem must be accompanied by cultural welfare, by which they mean traditional values of delayed gratification, work and saving incentives, commitment to family, rejection of crime, drugs, and casual sex.

Lind-Marshner's specifics for the most part show that they have done their homework among conservative economists. Is it going too far to say that in this chapter on welfare a monument should be provided to Stuart Butler, as Oscar Lange wanted to do for Ludwig von Mises in the ministry of central planning: we find here approval of such Butler initiatives as inner city enterprise zones, the idea of weakening provider-led coalitions to end the monopoly of the professional welfare bureaucracies — the real beneficiaries of the War on Poverty — moving public housing toward home ownership and control by residents (the privatization move that has been successfully carried out in Great Britain and incidentally would have been strongly approved by the English distributist G.K. Chesterton), education vouchers for the poor, setting success in terms of moving people off the poverty rolls, and rewards for welfare workers accordingly.

The main point for the cultural conservatives is that welfare providers have to deal with the problem of the destruction and formation of human character. They are calling out not for the elimination of the concept of economics as the science of incentives, but a deepening of this to observe how character is formed by habit and custom over time.

THE AMERICAN SYSTEM OF FEDERALISM

Lind-Marshner are on shaky grounds with conservatives when they use the terminology of a "national agenda." Perhaps the terminology of a federalist agenda would have been easier

for conservatives to swallow than a national agenda. It was precisely the attempt to create community on a national level that was the purpose of Johnson's Great Society.

The American system may take human nature as it is, but that is not the same as taking human preferences for what they are. The 14th Amendment does not enact Mr. Herbert Spencer's Social Statics, nor does the U.S. republic enact the economist's state of nature. We have a federal system and not a unitary national state. The concerns for character and virtue are lodged more specifically in the state and local governments and *a fortiori* in the intermediary institutions so warmly recommended by Lind and Marshner.

Too often the nature of the American regime is discussed in purely Hobbesian and Lockean terms of self-interest. The complex nature of American federalism is truncated by looking too closely perhaps at the *Federalist Papers* with their teaching of the limited nature of the delegated powers of the national government. But the powers of the state and local governments are not limited as those of the federal government.

The Aristocrat and the Proletarian. In the *Federalist Papers*, police power is discussed under the rubric of residuary sovereignty. Madison in *Federalist 45* explicitly states that the powers of the federal government are "few and defined." "Those which are to remain in the State governments are numerous and indefinite. The former will be exercised principally on external objects, as war, peace, negotiation, and foreign commerce; with which last the powers of taxation will, for the most part, be connected. The powers reserved to the several States will extend to all the objects which, in the ordinary course of affairs; concern the lives, liberties, and properties of the people, and the internal order, improvement, and prosperity of the State."

The libertarian principle is precisely the same for prostitution, drugs, and pornography. There should be no coercive control of these activities, at any level of government, unless physical violence or harm is threatened.

I think that in these kinds of cases the answer is the traditional one of American federalism. These are part of the legitimate police powers of state and local governments, but should not become part of a National Agenda. If I wish to put utility back into the closet, I also would like to put externalities back into the neighborhood where they belong. The common sense of the neighborhood effects and the decent civil society that surrounds them is clearly seen in Blackstone's definitions of police powers and nuisance.

Marshner and Lind pit a slippery man of fashion against the moral man and point out that the square, "If he fights back, he is portrayed as a dangerous bluenose, someone who would bring back the lynch mob and let police into our bedrooms."

Images of Cato the Censor and sumptuary laws are usually invoked to ridicule the conservatives' proclivity to control character. The disease of luxury is a disease — let there be no mistake — but nostrums to cure it are always difficult at best and usually inefficacious. Both the aristocrat and the proletarian want their immediate appetites satisfied and someone else to foot the bill. This appears to be one of the constants of human nature as we experience it. But it is only in the modern world that we have created

the enormous wealth to make such a possibility available to all. The success of the economy is often the enemy of the bourgeois virtues that have made it all possible.

CONCLUSION

In reading the reviews and listening to the discussions of the book, it reminds me of the Indian blind men describing the elephant. If the criticisms are more often than not wildly exaggerated or flat out wrong, then Marshner-Lind must be hitting a sore nerve that needs to be touched. It is explicitly a political tract that is performing its function. They have made the first effective step in translating conservative principles into a political agenda that is respectful of the economic virtues without being narrowly economic nor yet foolishly ignorant of positive economic realities.