

## Roepke and the Restoration of Property Ralph E. Ancil



In a discussion with another famous conservative, Richard Weaver objected to the view that the solution of our problems lies in following in the footsteps of "our ancestors." This was not enough he argued, for we must ask "Which ancestors?" After all, some were wise while others were foolish. In a similar manner we may ask: Is it enough to say we are in favour of a market economy? Like Weaver we can respond by asking: "Which market economy?" Some forms are better than others. This was certainly the view of German economist Wilhelm Roepke who believed the best defense of a market economy was to distinguish its basic principles from the historical form the industrialized, capitalistic economy actually took. By observing this distinction, Roepke was able to defend the ideal of a free and humane market economy without becoming trapped into defending those distortions many critics of capitalism rightly identified. However, for those of us on the political right, this may prove uncomfortable. We are perhaps unused to such a distinction and live in the world restricted to two choices: either some form of the welfare state, where we are arguably on the road to communism, or alternatively, a laissez-faire market economy.

But if we are willing to entertain the possibility of more than one form of market economy, we are brought back to the basic question: "Which free market economy should we be advocating?" Roepke saw that our choices of market economy come in two basic shapes: (1) the *proletarianized* market economy and (2) the *propertied* market economy. Roepke argued strenuously

all his life for the latter and not the former.

What is a proletarianized market economy? It is a deformity inherited from previous historical periods as well as from certain immanent tendencies in modern economies. Roepke was particularly critical of what he called "historical capitalism" ("historical liberalism") because it contained a number of such inherited abuses and distortions from the past which concentrated an excessive amount of wealth in the hands of a few and left most people with little or no productive property of their own and hence dependent solely on their wages and salaries, the fluctuations in the market, and on those who because of their wealth could exert disproportionate influence on the direction of policies as well as of the economy. (See especially his *Social Crisis*, pp. 100-148.) These dependent people were proletarians because they had only their labor to sell. When proletarianized, people become insecure and tend to seek relief in times of economic trouble through the expansion of government welfare benefits - and so growth of the proletarian market economy, and growth of modern governments are linked. To accept these deformities and tendencies complacently, however, would merely add fuel to the fires of the critics of capitalism and promoters of some form of collectivism. So some vigorous alternative is needed, though it cannot be a form of collectivism any more than it can be laissez-faireism in Roepke's view.

What then is left? Part of the answer which Roepke subscribed to is to follow the German Ordo-Liberal school of economic thought: it is *Liberal* in the sense it believes in the efficacy of the market economy in providing material well-being and freedom, but it is *Ordo* in the belief that a source of order is needed in the economy that originates outside it, and so there is room for an economic policy that shapes or gives some direction to a market economy consistent with its nature and other social goals. This is why Ordo-Liberals came to be identified with the *social* market economy in Germany, and explains why Roepke's book *A Humane Economy* is subtitled *The Social Framework of the Free Market*. A free market economy does not produce the framework upon which it rests. There are both moral and material prerequisites to such an economy if it is to serve its purposes well and that, in part, is a matter of public policy.

But Roepke went beyond his Ordo-Liberal colleagues in specifying the fundamentals that provide the "social" part of the market system, not by being socialistic, but by being humane, and this fact makes him finally difficult to categorize. Steeped as he was in the oldest traditions of the West, in the humanistic, Erasmian school of education which includes both Christian and

pre-Christian learning, Roepke not surprisingly brought this perspective to bear on his economic thinking so that we may finally call him a "humane economist" and say he belonged to the "humanistic school" of economic thought as much or more so than to the Ordo-Liberal school. While we see this approach reflected in many ways in Roepke's works, it figures prominently in his plan for the restoration of property, the economic cornerstone of his vision of a humane economy. He gives three desiderata for this restoration: education, decentralization, and personalization. We can examine each one individually:

1. **Education.** The importance of the *propertied* free market over a *proletarianized* market is that the ownership of one's own productive property exercises our will and mind properly. "As distinct from income which everybody wants as a matter of course," says Roepke, "property requires a certain exertion on the part of the will and a particular attitude of mind, things which are anything but matters of course." (*Moral Foundations*, p. 156) Unfortunately, our present market system has suffered for the past century and a half from various degrees of proletarianization and dependency on money income, so much so that the desire for property itself has been weakened, like a sick person who no longer has the desire to get well. Hence we have a vast educational task to reawaken the desire for property. To possess and to hold property does not begin with a promise but with a demand, a moral appeal because it requires "frugality, the capacity to weigh up the present and the future, a sense of continuity and preservation, the will to independence, an outstanding family feeling." (*Moral Foundations*, pp. 156, 157)

Perhaps most striking in this passage is his use of the phrase the *will to independence*. Freedom as Goethe said has to be won anew every day. Property is the concrete expression of that economic freedom which must also be won anew each day by an exercise of the will, the will to stand on your own and the will to help others do so, so that they don't have to depend on government either. Property, not income, reawakens, reflects, and reinforces that will to independence that is essential to political and economic freedom.

1. **Decentralization.** The restoration of property requires that it be widely distributed. That means the concentrations of property inherited from the past and current plutocratic sources be simultaneously opposed. Small property holdings must be the goal of a humane policy. Otherwise, as Roepke argued: "Concentration of property which usually

implies concentration of the means of production, is in effect the negation of property in its anthropological and social sense." (*Moral Foundations*, p. 157) Concentrated forms of property ownership may have their economic uses but they are hurtful to property understood as something fulfilling human nature broadly and deeply.

Decentralization, however, is simply another way of requiring the establishment of a broad middle class whose existence is threatened by concentration. In his words, this "progressive concentration...destroys the middle class properly so called, that is, an independent class possessed of small or moderate property and income..." and instead gives us "the steady increase in the number of those who are not independent, the wage and salary earners, whose economic focus is not property but money income." (*A Humane Economy*, p. 32)

Decentralization, independence and the propertied middle class all go together.

Today, we are still faced with considerable concentration problems in the existence and social and economic effects of large corporations, rootless enterprises, and generally what Roepke called the "cult of the colossal" or what we might today dub the depersonalized "visit-our-website" economy. And this brings us to the third criterion.

1. **Personalization.** The property Roepke has in mind must be *personal* where the owner acquires an identity in the thing owned, something which cannot be done with abstract and anonymous shares in the stock market. The need is to reintegrate man's personality that has been fragmented by "growing mechanization, specialization, and functionalization, which decompose the unity of human personality..." (*Humane Economy*, p. 12) Roepke wants property that will give existence, in his words, "stability, solidity and roots" and will possess some "vital significance" (i.e., something decisively effecting man's deepest sense of happiness and fulfillment as a human being). In other words, in this context, Roepke means a form of property that is productive and can provide a home, rooted in family, community, and tradition.

Thus education, decentralization, and personalization are the three chief features of Roepke's program to restore property. Beyond this, however, we have also to ask what form of property, if any, best fits these needs?

While Roepke was fighting in the trenches in France, a member of the German Reichstag, Regierungsrat Ritter, near the end of WWI, during negotiations with workmen [presumably on strike or some similar class conflict] gave a Roepke-type answer to economic problems at the time, claiming the reason for these problems, at least in part, was "...due to the fact that the workmen spent all their pay on drink before the war, and that if they had saved everyone would have his little house and garden and be independent." (Lutz, p. 107)

This formula is in fact the one Roepke would in time make his own: garden + house = economic independence. We are fortunate, he argues, to have a form of property that does meet all three criteria; and it is neither stocks and bonds, nor money income, but land. As he explains:

"This form of property possesses the still further important characteristic that it can embrace also the Home. It is that form of property which in this double capacity can make an end of proletarianisation...The industrial worker...can and ought to become at least the proprietor of his own residence and garden - or allotment - which would provide him with produce from the land...This would also render him finally independent of the tricks of the market with its wage and price complexities and its business fluctuations. On the one hand we ought to maintain in being and increase to the utmost of our power...all who are independent and provided already with their own house property and means of production. On the other hand where this is not possible it should be our aim to procure the worker or employee at least the equivalent of such an existence by providing him with a minimum of property, and by letting him have a house and garden of his own. If there be such a thing as a social "right" this is a "right to property," and nothing is more illustrative of the muddle of our time than the circumstance that hitherto no government and no party have inscribed these words on their banner. If they do not think these possess sufficient draw, we believe them to be profoundly mistaken." (*Moral Foundations*, p. 159)

No wonder Milton Friedman recently called him "something of an agrarian." (Schlaes, p. 2) Both Ritter and Roepke would likely have agreed that the proper campaign slogan for such an effort would be not "a chicken in every pot," but rather "a garden in every plot."

### An Ancient View

Now the forgoing is easy for some to dismiss as a romantic indulgence, as an

exercise in sloppy sentimentalism. But it is not. It is a hard-headed, concrete proposal that is as useful to the economy as it is satisfying to human nature. That is what makes it finally humane. It is not the testimony of one man only, but expresses an enduring vision in Western European thought both Christian and pre-Christian. From the Garden of Eden in Holy Scripture to the literature of Milton's *Paradise Lost* and *Paradise Regained*, from Xenophon's *The Economist*, where he defends the living of the ancient "Greek country squire" and the virtue taught by living the country life, to the similar views of the ancient Romans and the early Americans, with their image of economic independence exemplified in the person of Cincinnatus, to the actual utility of garden plots in the Soviet economy as well as in capitalistic European experience in the 20th century, economic independence and the good life have been identified with this Roepke-esque formula.

More recently this view has been reaffirmed by Alexander Solzhenitsyn when he states that "[l]and embodies moral as well as economic values for human beings..." (p. 30) Like Roepke, he argues for a wide distribution of land ownership, including garden plots for people in urban and rural areas alike. "There should be enough land for everybody." (pp. 33, 34)

## Conclusion

So, if we want an alternative to the welfare state, to expanding government intrusion and yet have a stable, free market economy in a society that is also just, we must stop wringing our hands over marginal tax rates, GDP statistics, unemployment figures and mere money income, and instead find ways to help Americans regain a measure of security and economic independence by making them once more, as in early America, genuine property owners. Such a restoration will be the first step toward realizing the humane economy.

## References

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