Agrarianism as an Economic System: A Study and Critique

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There are perhaps some who think fondly of the days in American history when agriculture was the primary occupation, families worked together on the farm, and Americans generally led “simpler” lives than they do today. These are among the tenets held by the Vanderbilt Agrarians in the early 20th century. While many of their ideals are admirable when viewed from a philosophical or sentimental perspective, there are some aspects of their views that would give the free market economist definite qualms. The Agrarians both explicitly and implicitly exhibit a strong appeal for government activity in the economy. An agrarian economy would also be unable to sustain a population on the same level as the current American population. When viewed from the perspective of Austrian and free-market economics these aspects make the agrarian system infeasible.

The Vanderbilt Agrarians described a conflict between the industrial and agrarian ways of life. The agrarian society would not exclude all industry or city life, but: “The theory of agrarianism is that the culture of the soil is the best and most sensitive of vocations, and that therefore it should have the economic preference and enlist the maximum number of workers” (Twelve Southerners 1930, p. xlvii). In opposition to that is industrialism, which John Crowe Ransom defined as “…pioneering on principle and with an accelerating speed…a program under which men, using the latest scientific paraphernalia, sacrifice comfort, leisure, and the enjoyment of life, to win Pyrrhic victories from nature, at points of no strategic importance” (quoted in Quinn 1940). Agrarianism does not require that all men become farmers. But those who can and wish to farm should do so, and all men should return to an agricultural way of life. Agrarians seek the return of the Jeffersonian structure in America. Thomas Jefferson advocated an agricultural economy, disliked industry, and sought the integration of moral choice and material occupation in society. An individual will only find meaning and satisfaction in life
when he integrates occupation with moral choice (Quinn 1940). Men should not simply work to earn money and further their position in life, but work because they enjoy it as well. Allen Tate, one of the twelve Southerners of *I’ll Take My Stand*, wrote that “The whole economic basis of life is bound up with moral behavior, and it is possible to behave morally all the time” (Quinn 1940). Tate said that this is the central principle of Jeffersonian philosophy.

To the Agrarians, industrialism allowed science to be applied and led to labor’s becoming “intense, mercenary, servile, and insecure, instead of something to be performed with leisure and enjoyment” (Nicholls 1960, pp. 28-29). They feared overproduction, unemployment, and more inequality in wealth distribution, creating a “superstate.” It would also separate man from nature and so impede the success of religion and the creative arts. It would create between men the conditions that lead to their forsaking “such amenities of life as good manners, hospitality, family life, and romantic love” (Nicholls 1960, pp. 28-29). The pace of life would be accelerated and become unstable as men sought after material goods to satisfy their desires (Nicholls 1960, pp. 28-29).

The Agrarians believed the culture of the soil was the best vocation and thus deserved economic preference and the most laborers. The twelve Southerners did not have an economist in their number, and so they relied on psychologist Lyle H. Lanier for economic analysis. He saw the urban unemployed and said the government could “postpone the hour of reckoning” by unemployment assistance or legislation, which it must gradually increase as the number of those out of work rose with the progression of technology. The alternative Lanier proposed was to “renounce the capitalistic industrial program” (Lanier 1930, p. 151). But this would be accomplished by increasing the mechanization of production. Fewer people would be employed in operating the processes, and the increased numbers of unemployed “should be induced by all
possible means to return to agriculture” (Lanier 1930, pp. 151-152). Lanier wrote that some in the Agrarian camp might object that this would cause overproduction in the already high production area of agriculture. But for those who entered agricultural production it meant a place to live and reorder their lives after the interruptions of civilization (1930, p. 152). Nevertheless the increased number of agricultural workers would lead to overproduction, if one evaluates it consistently with the Agrarians’ concerns about capitalistic farming (see Ransom 1932, pp. 231 and Lytle 1930, p. 239). The higher supply of labor would drive the cost of labor down, making production cheaper and further increasing the amount of agricultural goods produced on the market.

Though the twelve Southerners viewed some aspects differently, they agreed on the fundamental principles of Agrarianism. Frank Lawrence Owsley explained the five pillars of Agrarianism that were commonly held by the twelve Southerners in an essay following I’ll Take My Stand. He wrote that agrarian society does indeed have room for industry, professional vocations, scholars and artists and the city. Agriculture is the leading vocation, however, and is the means to wealth, enjoyment and prestige (1935, p. 201). It is a “…form of labor that is pursued with intelligence and leisure, and that becomes the model to which the other forms approach as well as they may” (Twelve Southerners 1930, p. xlvii). A state’s social, cultural, economic and political life would be defined and dominated by the agricultural population and those of the small market towns (Owsley 1935, p. 201). The Agrarians recognized the role of public affairs in contemporary life and the way of life they advocated. They realized that their ideas could not be implemented until the problems of the country as a whole were corrected. They saw that Agrarian ideas affected finance, industry and commerce, making it significantly a part of any current national problems. The enemy of the people, their liberty, and government
was “…a system which allows a relatively few men to control most of the nation’s wealth and to regiment virtually the whole population under their anonymous holding companies and corporations, and to control government by bribery or intimidation” (Owsley 1935, p. 202). The Agrarians wanted to see property restored to the people and communism abolished so that people would be happier and more secure. They advocated decentralization of private property and ownership, though they disagreed on the amount of decentralization in each industry that would most contribute to their aims (Owsley 1935, p. 202). Owsley describes the large industrial companies: “…these robber barons of the twentieth century will have to be reduced and civilized in some form or other before any program can be realized by our state and Federal governments” (1935, p. 202). Owsley writes of the five pillars:

Once this foundation is securely built, the agrarian society will grow upon it spontaneously and with no further state intervention beyond that to which an agricultural population is accustomed…Leisure, good manners, and the good way of life might again become ours. (1935, p. 211)

From statements of general agrarian views one can see a hint of the significant role that the agrarian system would require of government.

The first of the five pillars Owsley describes calls for restoring the people to the land and the land to the people. To do this the government would buy the land owned by loan and insurance companies, banks, absentee landlords, and indebted planters. The government would then grant to “sufficiently able and responsible” landless tenants an 80 acre homestead, livestock, and cash that would allow them to provide food and clothing for their family for one year (Owsley 1935, pp. 210-211). The people already living on the farm must be rehabilitated as well (Owsley 1935, p. 202).

One might wonder, however, what standards determine who is responsible and able to cultivate the land successfully. To determine this it would be better to allow the private
companies and owners of the land to sell directly to the people who could afford to buy at market prices. Thus those tenants who could afford to buy and cultivate the land would do so. Whether they succeeded would then be based on their skill, as with any entrepreneurial venture on the unhampered market. The best able to farm would succeed and those who did not would move into other areas of production better suited to their skills. Those who do not have the money could apply for loans, and the banks or the individual providing capital would determine the applicant’s ability to succeed, profit and repay the loan in future. The lender has an incentive to determine the best entrepreneur-farmers, at the risk of a default on the loan. The government has much less interest and ability to determine the best individuals in which to invest, as it does not bear any loss that might arise out of the venture.

However the Agrarians would be unlikely to appreciate the free-market method. It requires farmers to raise cash crops to pay back any loans instead of, or in addition to, providing a living for their families. One might argue that as farming is such hard work in which it is difficult to profit, it is not reasonable to expect a farmer to pay back a loan in a reasonable time, and he would default on the loan. However the individuals who succeed are those best occupied in farming. If an individual’s skills and abilities are not adequate to that place in the division of labor then he would be forced to move into another area. This seems harsh, but one must remember that it is not like the law of the jungle with a survival of the fittest mentality. Putting it in these terms oversimplifies the underlying issues.

The market works very differently from the government, for in government activity individuals are unable to affect the results. Rothbard writes that in the free market:

…there is no final decision imposed by force; everyone is free to shape his own decisions and thereby significantly change the results of “the market.” In short, whoever feels that the market has been too cruel to certain entrepreneurs or to any other income receivers is perfectly free to set up an aid fund for suitable gifts and grants. (2006, pp. 278-279)
The market is not a decision-making entity, but the result of individuals’ decisions in society. Thus individuals may implement any decisions without having to change someone’s opinions. If all men live at subsistence level, there will indeed be a struggle for survival and the system will not be characterized by any desire or ability to help others (Rothbard 2006, p. 279). Through the cooperation in the market, men gain by developing a division of labor and capital investment and serving each other through mutually beneficial exchange. Each individual is free to become a self-sufficient producer according to his own inclinations. Rothbard continues:

To apply the principle of the ‘survival of the fittest’ to both the jungle and the market is to ignore the basic question: Fitness for what? The ‘fit’ in the jungle are those most adept at the exercise of brute force. The ‘fit’ on the market are those most adept in the service of society...the market is a peaceful and productive place where all serve themselves and others at the same time and live at infinitely higher levels of consumption. On the market, the charitable can provide aid, a luxury that cannot exist in the jungle. (2006, p. 279)

The market channels and transforms the competitive energies of the jungle into the service of others at the same time as service to self (Rothbard 2006, p. 279). Thus free market competition provides for the most successful and effective utilization of men’s natural competitive tendencies.

Admittedly a free-market system for bringing people back to the land would lead to more “industrial” type farms, in which the farmer must produce for cash and other provisions in addition to supporting his family. The Agrarians would not favor this, but a better farm system would result that is composed of farmers who can sustain themselves and their families without government assistance. The Agrarians might object that these farmers do not enjoy their work. But surely most men would desire independence and the knowledge that their success is based on their own skills and abilities. This fosters the independent spirit for which Americans have been praised and valued. The entrepreneurial spirited farmer, or any individual, seeks the ability
to succeed and support himself and his family by his own hard labor. In the Agrarian case, there could be farmers who do not succeed and would require support from the government to continue to provide for themselves.

Owsley agrees that not all individuals are best-suited to farm life, but his conclusion is somewhat alarming. He says that portions of the lower classes are “unredeemable” and that “…the county and state public health departments should be enabled to take steps necessary to salvage the children of such families in order that they may be owners of small farms and good citizens when of proper age” (1935, p. 204). This is a serious intrusion of government in family life. Health departments and governments do not have the standards to determine what is best for the children nor do they have the authority to justify interrupting family life. Owsley’s idea implies that there is an ideal person in society, and that the government is the best arbiter and upholder of that ideal. There are likely few who would agree with this principle.

Owsley continues to describe the process of returning people to the land, by bringing the “technologically unemployed, intelligent city people back to the country” (1935, p. 205). Those experienced in farming would be rehabilitated, and gradually the inexperienced would become plantation tenants. Then if they were successful and wished to become independent farmers the government would grant them a homestead, livestock and cash adequate for a year’s living (1935, p. 205). But the government does not have special insight that enables it to see which individuals will succeed. An individual may come to the country and find that he is unable to support himself and his family and then require government assistance to continue. This is an example of the escalation of intervention that so often occurs. One also might wonder about the

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1 Some might object that the government interferes in family life in the present system. However if the ideas under discussion were compared to the present political and economic environment this paper would be quite different. As with many of the other topics discussed, the reader should compare the ideas to the ideal situation, not to those which are inherent in the current system.
circumstances in which the previously experienced individual left his farm in the first place. Perhaps he would now be better equipped for farming, or perhaps not.

The Agrarians say that technological unemployment must inevitably and rapidly increase until most of the population is unemployed. They advocate that the government “rehabilitate the unemployed by giving them small farms,” among other means (Owsley 1935, p. 205). But even though increasing technology will displace some workers, it will require workers to produce and repair the machinery itself. Government should allow business to move freely, so that people can move into new areas as necessary. Mises writes that new machinery is not a labor-saving device, as it is currently described, but instead it increases the amount of output for each unit of input (1949, p. 768). They are labor-saving devices for the particular area in which they are used, but for the economy overall and for consumers they are a means of increasing the productivity of labor. “They increase supply and make it possible to consume more material goods and to enjoy more leisure. Which goods will be consumed in greater quantity and to what extent people will prefer to enjoy more leisure depends on people’s value judgments” (Mises 1949, p. 768). Nicholls writes that the effort to design public policy to give the land back to the people would not have promoted either regional or national economic progress (1960, p. 33).

The second pillar of agrarianism calls for the preservation and restoration of the soil by using fines and escheat, and by restoring a system in which the state has an interest in the land and can require a given amount of service and duty from those who own it. This recalls a feudal system in some sense (Owsley 1935, pp. 210-211). However this system destroys the nature of entrepreneurship by reducing the incentive to profit. An individual who will not gain the full benefit from his labor has less reason to work as hard as he would if he were to receive the full benefit or loss that results. The soil will be preserved for the same reasons, because healthy soil
yields more and better quality produce and the farmer will receive all the benefit of improving its quality.

The third pillar that Owsley describes requires “The establishment of a balanced agriculture when subsistence crops are the first consideration and the money crops are of secondary importance” (1935, pp. 210-211). The Agrarians held that it was the farmer’s duty to first support himself and his family and next his livestock. Only after that could he think of raising crops for money. Owsley writes that before machinery, cars, taxes, and mortgages, a farmer who used currently available scientific knowledge in his subsistence farming operation would have provided ample support for his family and farming operation (1935, p. 206). But one must wonder if the scientific methods that were available to farmers arose as part of the progress that industrialism allowed. Subsistence farming is by its nature hand-to-mouth. The farmer would have scraped along without the security that he could continue operation, keep his farm, and even feed his family during a bad year or period of years. This type of farming does not take full advantage of the division of labor in society. While there may be some personal advantage in the strong connection the agrarian farmer feels with his land, he still does not have comparative advantage in some areas. When the farmer can purchase the goods he either cannot make himself or cannot make as well as another might, he has extra time to spend on the work in which he is an efficient producer. The exchange is mutually beneficial to the farmer and the merchant, as each one gains a good he produces less efficiently in exchange for one in which he has comparative advantage.

John Crowe Ransom writes that though capitalistic farming (in which a farmer plants in a manner that will earn him the most for his land) is more efficient, it leads to overproduction. He continues: “If a nation is rather short of a supply of land, capitalistic farming will make the most
of what there is, and old-fashioned agrarian farming cannot be tolerated because it is wasteful” (1932, p. 231). Farming as a money-making industry has not and cannot flourish in America, as it is overcapitalized and over-productive. All fertile land is capital, and it may produce two to three times greater than the market demand. According to Ransom excess farm products, and thus farmers as well, are the rule rather than the exception (Ransom 1932, p. 231). Everyone advises the farmer to reduce his land and his level of production. But as long as he farms for money alone, he will disregard this advice. He will continue to produce as long as he can earn money (Ransom 1932, p. 235). But in the unhampered market any producer will produce no more and no less than he can sell. Prices fall with an increase in supply, and as prices fall the farmers decrease the amount of production and thus the supply of goods they bring to the market. This in turn drives the market price up again. The quantity supplied will equal the quantity demanded at the market clearing price. There will always be this tendency towards equilibrium in the market. Only where there are artificial forces, such as governmental price restrictions or subsidies, will overproduction result.

Ransom continues to discuss the farmer and the importance of production for the use of himself and his family:

You cannot ask some of them to go out of business and commit economic suicide in order that others may prosper. The only way to reduce production is to get them to do something else instead which it would pay them to do. This something else, according to an agrarian theory, is the business of supplying just as much of their own living as they reasonably can. (Ransom 1932, p. 235)

If this happened, the farmer would produce for himself and supply a smaller volume of produce on the market, and as agrarian doctrine spread the level of national farm production would be reduced by the amount that the economists desire (Ransom 1932, p. 235). The market system does not require that some producers commit economic suicide, however. As long as the
producer serves consumer preferences he will be able to conduct business at the market price. The desires of economists are irrelevant. Once he becomes the inefficient producer or there is a change in consumer preferences, he must either change his cost structure or go out of business. The activity of the market may move producers into another area, but this does not mean they must produce only for themselves. A producer’s inefficiency in a given area will be relevant whether he produces for the market or for his own consumption. Patrick Quinn writes that the Agrarians suggested the production of crops for market was a “necessary evil.” Subsistence is a harsh word, but for the Agrarians it meant old-fashioned farming that combines subsistence production with money crops, and primarily serves to support man and animal. After that the farmer might sell any excess he produced to buy the things he cannot produce for himself (Quinn 1940). According to Quinn: “Subsistence farming simply means farming as ‘a way of life’ rather than as a business. It means, in moral terms, independence, responsibility, security” (1940). This is the way of life the Agrarians valued.

The last two of the five pillars are standards for the government of the country and its interaction with the economy. The Agrarians require that a just political economy be established that will place agriculture on an equal footing with industry, finance and commerce (Ransom 1932, p. 211). The original belief behind the secession movement was the Agrarian idea that industrialism would gain control of the federal government and would destroy the South (Ransom 1932, p. 208). The free market economist would whole-heartedly agree with this fourth pillar as long as it refers to equality before the law and the freedom to operate without intervention. It should not allow the government to intervene to assist agriculture or any other industry. The last pillar Ransom describes requires the establishment of autonomous regional governments in order to better maintain political economy for each region and to prevent conflict
and exploitation between regions (Ransom 1932, p. 211). A regional government would have more interest and more easily legislate and control for the particular needs of that region than would a central government. It would still be necessary to ensure that the government allowed the economy to function with minimal interference.

One of the twelve Southerners, Donald Davidson, discussed a new system of regional commonwealths. These would have the power to impose tariffs between regions, tax and regulate capital and monopolies, and control money and credit. They could also protect educational systems from those outside the region, outlaw ownership of farmland by absentee landlords and “preserve [a] bi-racial social system without the furtive evasion or raw violence to which it is now driven when sniped at with weapons of Federal legality” (Nicholls 1960, p. 31). Davidson advocated any method that “‘restores small property, fosters agrarianism, and curtails exaggerated industrialism’” (Nicholls 1960, p. 31). The Agrarians were prepared to use government to implement their system.

Agrarian ideals were detrimental to economic progress in the South. Some Agrarians fought against the bigger planters whose goals were business-oriented instead of agrarian. The Agrarians equated the plantation tenants with industrial workers that lived on the land. The tenants were not emotionally attached to the land. There were Agrarian planters whose tenants had varied labor and diversified crops and were not working merely for large profit. These Agrarian planters were forced to compete in a market alongside the big-business planters, and were constantly under pressure to conform to the same standards. But the yeoman farmer was most important for the Agrarians, and it was for his benefit that they sought to design public policy (Nicholls 1960, pp. 31-32). In Nicholls’ view an Agrarian program would have negatively affected both the national and the Southern economies by reviving sectionalism. It
would have slowed the development and agricultural progress that enabled the South to participate in the successful American economy (Nicholls 1960, p. 33).

The South was rooted in Agrarianism leading up to the War Between the States and afterwards. Southerners did not want legislation in their region, but only to be left alone by the industrial North. The South followed Jeffersonian political philosophy, with decentralization, provincialism instead of nationalism, states rights, and federation instead of utilitarianism (Owsley 1930, pp. 75-76). Industrialism had little use for states’ rights, but backed a central state along Hamiltonian principles. The South also used states’ right as a defense mechanism against the industrial and commercial North, and this helped to protect the different regions of the South from each other as well (Owsley 1930, pp. 86-87). The agrarian society that Thomas Jefferson and John C. Calhoun advocated called for no “positive programs” and only just enough government to keep men from hurting each other (Owsley 1930, p. 88). It appears that the Vanderbilt Agrarians no longer held to the same vision as Jefferson.

The provincial agrarian economy may be beneficial for the South without being adequate for the entire world, Herman Clarence Nixon wrote, but there should also be hesitation in bringing an expanding industrial economy to the South. He feared that American industrialism would follow in Germany’s footsteps and lead to war through “industrial imperialism” (1930, pp. 196-197). American industrialism was expanding at a faster rate than the world could absorb it, according to Nixon. Southern agriculture’s gains in the past twenty-five years were almost too great to be absorbed socially and at times showed “too much progress for business success” (Nixon 1930, p. 198). But the gains could only be greater than the market could absorb if there were government subsidies or other assistance. The unhampered market would absorb or halt all other activity in accordance with consumer preferences.
Andrew Nelson Lytle describes the change that industrialism made to the farm in day to day production. Butter production was originally a long and tedious process, but he argued that it was eliminated to no good end. “The milkmaid can’t go to the movies, read the signboards, and go play bridge all the time.” Instead she will be sent to clerk in town or if her family has sufficient income she will be idle and miserable (Lytle 1930, p. 223). However there are many advantages to free time. The worker could invest in an education which will lead to overall improvement in knowledge and life. How an individual uses additional free time is according to his inclination and preferences, whether for good or bad. Even if he were to use it for ill purposes, barring progress or other government action should not be used as a method of preventing the worker from gaining free time. Murray Rothbard discusses the argument that the worker has been alienated from his labor and is no longer the “Happy Craftsman.” The worker’s opportunities for worthwhile and enjoyable employment and to develop his skills are greatly expanded in the capitalist free market, and as the division of labor expands there is more opportunity for employment (Rothbard 2006, pp. 269-271).

Farm life is slower, with more variety and less attention to time. Under an industrial system, Lytle argues, the farmer’s wife has become a drudge. She will grow restless, where before she was content to bear the burden of her work. “She has changed from a creator in a fixed culture to an assistant to machines” (Lytle 1930, pp. 222-223). In reality the machines serve her, though, as they were created to do. The farmer’s wife now has time for other occupations or pleasures, whether that means time with her children, social time, or any other pastimes for which she would have been too busy before the machines assisted her. Modern women have little difficulty filling their days. Though one could argue that this is largely due to today’s fast-paced industrial world, there are many activities people had little time for before the
introduction of many modern conveniences. All individuals have a responsibility to use their
time in the best way. This is a particular choice for each individual, and it is not one that the
“system” should seek to make for him. The farmer’s wife is much more of a drudge if she
spends all her time completing her work manually. However she is free to choose this option
instead of using machines. This is according to her own unique ranking of preferences, and no
one can know her own inclinations and values better than she.

Ransom discusses the issue of labor for the farmer as well. The farmer may cultivate a
cash crop and have plenty of work for a time, but he may not yield enough money to survive
through the winter. If he produces for his own consumption, however, he “has a fair-sized man’s
job on his hands” that will give him plenty to do year round (Ransom 1932, p. 236). Ransom
continues: “His hard work will come in the spring and summer, but if his work slackens after
that, no confirmed lover of nature will begrudge him a little leisure time for hunting, fishing, and
plain country meditation” (1932, p. 236). This is an idealized picture of farm life. The farmer
must work hard, especially if he produces all he needs to live. He will be more likely to have
money to survive the winter if he produces a cash crop than if he produces for subsistence only.
At least in this case he has more security in a bad year, in case of accident, or in many other
circumstances for which he cannot plan ahead.

Wendell Berry writes that much of the problem with the modern ideas about work lies in
the fact that men consider it drudgery. They have decided that hard physical labor is not
worthwhile. The example he uses is tobacco cutting. It is difficult work undertaken in hot
weather, it is very demanding, and it must be accomplished during a limited time. It must all be
performed manually, and many would call drudgery (Berry 1990, p. 141). But Berry writes:

That the tobacco cutting can be drudgery is obvious. If there is too much of it, if it goes
on too long, if one has no interest in it, if one cannot reconcile oneself to the misery
involved in it, if one does not like or enjoy the company of one’s fellow workers, then drudgery would be the proper name for it. (1990, p. 141)

Berry defines the issue in this quotation. Technology is introduced because people believe they could use their time better or more effectively than by doing all their work manually. They will only use machinery if they believe they have too much work, that it takes them too long, or if they do not like to do the work and do not think the company of their fellow workers outweighs the disadvantages of performing the work by hand. If an individual enjoys his work, considers it a worthwhile use of his time, and believes that for him it is best to do it manually, then he is free to do so. Again the decision falls to individual choice according to personal preferences.

Andrew Nelson Lytle discusses his argument against technology in the form of “labor-evicting machines.” They lead to greater crop yield, but this means there will be overproduction and price deflation. Diversification is only a means of overproduction for all crops, but in particular for cash crops (1930, p. 239). Lytle is correct that an increase in farm machinery will likely increase the amount of grain or other products sold on the market, and this increased supply will push market prices down. As discussed above, the increased supply could only be considered “overproduction” if there were government subsidies to agricultural production. The farmer will utilize his increased production efficiency and produce at the profit maximizing point, selling at the market clearing price. Mises points out that:

The substitution of more efficient methods of production for less efficient ones does not render labor abundant, provided there are still material factors available whose utilization can increase human well-being. On the contrary, it increases output and thereby the quantity of consumers’ goods. ‘Labor-saving’ devices reduce want. They do not bring about ‘technological unemployment.’ (1949, pp. 136-137)

Technology simply makes the existing labor more efficient. Thus unemployment is not an effective argument against the use of technology.
Lytle writes that a man who produces for himself most of what he needs can adequately provide for himself in the industrial world with little need for cash. His aim should be to diversify to live and not to become rich. The farmer can buy his clothes and shoes for less than he can produce them, but there is a much greater cost to him in reaching the point where he can buy them than there is for him to make them himself (Lytle 1930, pp. 244-245). The farmer’s true preferences are exhibited in his actions, however. If it costs less for him personally to make these necessities, he will do so. If he chooses to buy them from merchants and others who specialize in their production, the farmer shows that he perceives his costs to be less through this option. The Agrarians object to modern advertising as the “most significant development of our industrialism,” and say that along with personal salesmanship it is a method of convincing individuals that they need the items which the applied science of modern technology and progress can provide. Producers must use these methods because, due to progress, supply has exceeded consumption (Twelve Southerners 1930, pp. xlv-xlvi). However, supply cannot exceed demand on the unhampered market. Producers will produce only what their customers demand. Any purchase is a personal choice for the individual consumer. He must use discrimination and wisdom in determining his needs and wants. Each must choose among the many options that modern technology makes available to him. Industry and technology should not be held responsible or blocked because some people might make unwise choices.

After the War Between the States, agrarianism was behind much of the trouble in the South during reconstruction. According to William Nicholls, the merits of agrarianism were questioned during the period but industrialism did not produce favorable results and this left

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2 William H. Nicholls was President of the Southern Economic Association (beginning 1958), a Harvard-trained economist, and staff-member for a year of the President’s Council of Economic Advisors, among other qualifications. He did extensive research on the Southern economy and on the Vanderbilt Agrarians (Nicholls 1960, pp. vii-ix).
agrarianism in a dominant position in the South. This prevented regional economic progress for several reasons (Nicholls 1960, p. 158). Nicholls writes that:

…even before the disastrous effects of Civil War and Reconstruction, the South had developed a regional philosophy and social, political, and economic institutions which, despite the real but ephemeral agrarian prosperity of their own time, were unfavorable to the achievement of the balanced and broadly based economic progress over a longer period. (1960, p. 21).

Agrarianism created a system in which social prestige directed a large proportion of Southern capital and human resources into agricultural fields, rather than into business. The agrarian system protected the planter from competing forces that could have “weakened his excessive social, political, and economic hold upon his local community” (Nicholls 1960, p. 158).

Agrarianism increased the attachment to land and outdoor living, and this reduced the mobility of Southerners and perpetuated the idea that they were not well-suited to factory work (Nicholls 1960, p. 158).

The Agrarians recognized that there was a drive towards equality of condition in society and believed that it opposed patriarchy. They held that though each individual has different talents in varying amounts, each should seek to be as independent as possible using his own particular talents. This was even “encouraged to the point of artificial (that is, temporary and Federal) measures” intended to provide the widely distributed property that is foundational to family culture (Bradford 1985, pp. 86-87). M.E. Bradford writes that no one has found a way of ensuring that agrarian values would arise without the structure provided by an agrarian economy, however there have been positive developments. He cites the fact that at the time he wrote, in 1985, the Secretary of Agriculture was promoting the preservation of the family farm, price supports were no longer as “necessary,” and the growth of the population and their need for food pointed to increased cultivation of land. In addition, Bradford writes, “Americans generally
announce their preference for rural life—that is, as soon as they can arrange for it” (1985, pp. 89-90). The South especially remains very rural and people move away from the cities. Some states have used laws to push industry into the rural areas. The Agrarians had apparently foreseen this possibility of compromise with industrialism and accepted it (Bradford 89-90).

An important question regarding agrarianism is whether implementing an agrarian economy is possible without government involvement. Such an economy could hold numerous benefits, and one might be favorably inclined towards the agrarian system for the values that accompany it. Nevertheless, it is not appropriate or favorable for the government to use its power to implement an economic system.

The Amish are a contemporary example of the agrarian lifestyle. Because of their strong beliefs about separating themselves from worldly things, the Amish have made a commitment to live without many modern conveniences. They have a strong sense of community and help each other through difficult times. They enjoy a society with full employment, and perhaps even too much employment. Their large families are necessary to accomplish the tasks they must do without the help of much modern equipment (McLaughlin 2007). This is not an argument against large families. However a system in which families must often be large in order to accomplish the labor of the farm or business appears unfavorably beside a more technologically advanced lifestyle. The Amish choose self-reliance over efficiency and the benefits of the national and international division of labor. They also choose to spend more time working without equipment that would allow them to accomplish these tasks and more in less time. This choice means they have a lower standard of living and often live in what outsiders would consider poverty (McLaughlin 2007). The Amish sound very like the perfect demonstration for the Southern Agrarian’s cause. They ostensibly gain more from the time they spend than they
would if they used machinery. But this is a choice that each individual or group must make individually.

McLaughlin points out that though the Amish live in an agrarian economy, they also benefit from the outside modern economy in ways that are not immediately noticeable. Unlike agrarian economies in third-world countries, the Amish may take advantage of the economic freedom, property rights, and progress of the United States’ capitalist society. They use some modern conveniences and will purchase goods from outside their community when necessary. The division of labor and the networks that traders use to obtain information are central to modern prosperity. Modern society does not aim for full employment, but instead for an economy with ever increasing innovation and specialization, trade, and capital accumulation that leads to a standard of living higher than most in the world. McLaughlin writes: “The Amish may hold the secret to full employment, but rejection of modern capitalism is full employment in poverty and hardship, not the rich fruits of progress” (2007). Because of the economic freedom enjoyed by Americans, they also enjoy lower levels of unemployment than do many other countries with less freedom. Even the poor in America are far better off than individuals in other parts of the world (McLaughlin 2007).

Though the Amish are successful according to their goals, one must wonder if the same principles could be applied to an entire economy. If the Agrarians wanted to implement a full-scale agrarian society, the government would need to become involved in the economy through laws and interventions in favor of farmers. If it were natural for an agrarian economy to develop and sustain itself, it would have arisen through the normal and independent activity of the market. But laws and other interventions in favor of a given portion of the population are not consistent with the principles on which America was founded. Neither are they consistent with
the strict constructionist Constitutional views of Thomas Jefferson, who favored an agrarian system.

The Agrarians called for interventions in the economy to achieve some of their goals, though they did not claim to suggest specific practical measures for overall change in the economy (Twelve Southerners 1930, p. xlvii). In his discussion of the five pillars of agrarianism, Owsley writes that industrial interests were monopolizing the domestic market so the South and West were forced to pay high prices for goods on the international market. He said that if this continued it would become necessary to subsidize cotton, tobacco, and other agricultural products sold internationally for the difference between the two prices (Owsley 1935, p. 208). But if the domestic industrial interests were able to monopolize the domestic market, prices were higher domestically, and there were no trade restrictions, then the South and West could buy from abroad. This would reduce domestic demand, causing the law of one price to take effect. As demand for domestic goods falls, the price of domestic goods would fall. At the same time, the increased demand for international goods would drive prices up on the international market. The domestic and international prices would then meet at the equilibrium price.

Many aspects of federal agricultural policy may be attributed to the persistence of Agrarian interests in the South. These policies have not helped the farmer and have instead prevented the economic adjustment necessary for efficiency and progress in agriculture (Nicholls 1960, p. 39). Four out of the six commodities that received price supports at the time of Nicholls’ writing were Southern farm products. Southern congressmen were active in seeking to maintain poorly functioning depression-era farm programs. Price supports will not help the small farmer if he does not have much to sell. Even using acreage allotments to discriminate
against certain areas and against the larger farmers who predominantly produce cotton would not be helpful to small farmers in terms of income, however (Nicholls 1960, pp. 40-41). According to Nicholls, “In combination with high price supports which encourage chronic overproduction, acreage allotments have been a serious impediment to the achievement of an efficient Southern agriculture” (1960, pp. 40-41). The farm price supports have consumed public funds in an effort to help low-income farm families, when according to Nicholls these funds would be better used to assist the families in leaving agriculture and finding more suitable and prosperous employment for themselves (1960, pp. 40-41).

Though a federal policy on agriculture in an effort to establish an agrarian economy would be considered unconstitutional by the Founders’ standards, one might argue that state policy could be used in this way. However, this too would be economically unhealthy. Assisting a class of small businesses and farmers would only artificially support those “chosen.” This signals an increase in demand for their goods or services that will cause them to produce more. Real demand has not increased, however, so the increased supply of goods will only cause prices to fall. If there is not adequate market demand or a particular farmer or businessman is unable to adequately satisfy consumer preferences, creating laws and subsidies enabling him to continue will not benefit anyone involved. It will raise prices for consumers. Particular producers will not leave the industry in which they are working when perhaps they would be more productively occupied in another. While it is unfortunate for anyone to lose his job, this is sometimes necessary in the market system in order to direct workers and entrepreneurs into those areas in which each is most productive. On the unhampered market all labor will be employed to the extent that the workers are willing to be employed. Only if land became scarcer than labor
and land was fully employed could there be a case where workers would be involuntarily
unemployed or receive a wage below the minimum level of subsistence (Rothbard 2001, p. 523).

Another fundamental problem with the imposition of a completely agrarian economy is
the fact that it would be unable to sustain the present population. Rothbard, writing in 1973,
points out that before Columbus there were approximately one million Native Americans who
lived at a subsistence level on the North American continent. Now, as a result of modern
technology and industry, there are several million people who enjoy significantly higher
standards of living. Rothbard states the issue quite plainly: “Abolish the latter [industry] and we
will abolish the people as well” (2002, pp. 250-252). There must be growth, technology and
increased capital investment to achieve higher standards of living. This would lead to more
comfort and leisure time and thus allow people to pursue enjoyment and other non-material
aspects of life. Rothbard concludes: “There is precious little culture or civilization available for
people who must work long hours to eke out a subsistence living” (2002, pp. 250-252). Mises
discusses the same issues regarding Germany. He writes that a preoccupation with agrarian
society and the social institutions and economic organization of the Middle Ages would have had
a detrimental effect on Germany’s population. He writes: “Every proposal that would reduce the
productivity of labor diminishes the supportable population” (1977, p. 129). As McLaughlin
also points out, most third world countries operate under an agrarian economy and experience
great poverty. They do not have the advantage of doing business and developing their economy
in the environment of economic freedom enjoyed by Americans (McLaughlin 2007). One can
see that any economic system must be able to sustain the present population and its rate of
growth. The agrarian system with its lack of technological and industrial development would be
detrimental to the standards of living and even to the lives of many people. This is indeed a fundamental argument against agrarianism.

The Agrarians fought progress, saying that men “are pioneering on principle or from force of habit, and without any recollection of what pioneering was for” (Ransom 1930, p. 8). However one must argue that today’s progress has certainly produced useful results. Surely the goal of pioneering today, as it was in the days of the original pioneers, is to improve individuals’ standards of living. There is no reason for that process to cease. There are many benefits from technology, the division of labor, and specialization. They allow more time and resources to be channeled into developing improvements in other areas. The fact that exchange and the division of labor exist means that the individuals involved must find it more productive than they would “isolated, autistic labor” (Rothbard 2001, p. 81). Nicholls describes the views of Joseph S. Davis, a leading agricultural economist. According to Davis it would be unwise in the interests of the nation’s overall welfare to maintain a large agricultural population with the low standards of living that exist among subsistence farmers merely to ensure that a portion of the population may enjoy rural life (1960, p. 41). Davis continues:

“From the standpoint of maximum satisfaction of wants it is desirable, not undesirable, to have as small a proportion of the total energy as possible devoted to provision for essential wants, so as to leave the maximum available for leisure activities and satisfaction of wants for wholesome nonessentials” (quoted in Nicholls 1960, p. 41).

The less time necessary to produce basic necessities, the higher the standard of living that will result and the more individuals may satisfy their desire for life’s nonessentials.

The Agrarians believe that the rural life is best for man. Whether that is true is not the question at hand. Contrary to the belief of some, free market economics does not rest on the concept of the “Perfectly Wise Individual,” in Rothbard’s terms (2006, p. 254). Economics does not assume that each individual knows his own best interest. However “…it asserts rather that
everyone should have the right to be free to pursue his own interest as he deems best” (Rothbard 2006, p. 254, italics his). Some hold that government should force an individual to pursue his best interest, coercing him to trade present utility in exchange for possible future utility. However that person’s resentment at his loss of liberty will serve to reduce his future utility. Freedom is a “vital, necessary prerequisite for a person’s ‘best interests’ to be attained” (Rothbard 2006, pp. 254-255). Any force will prove useless in the long run, for as soon as he is free, the individual will do as he wishes. The future is uncertain to all, however entrepreneurs specialize in foresight. If they have the freedom to work in the unhampered market and they will bear any resulting gain or loss, they are best able to anticipate and satisfy the needs of consumers (Rothbard 2006, pp. 255-256). Consumers may mistake where their own best interests are served. Nevertheless, each individual is most aware and the best judge of his own inner values and preferences. He may also consult others on his choice, whether this advice is provided by friends or by professionals he hires. Aside from the advice of friends, individuals are best advised through services purchased on the market and not through government. The government, unlike the entrepreneur, is not subject to the constraints of profit for good advice and loss for bad. Neither does the government have any special incentive to care for the individual. The entrepreneur’s reputation and livelihood depends on how he cares for his client (Rothbard, 255-256). Men may embrace or avoid progress in his work and life, but that is for him to decide and it is inappropriate for the government to seek to make his decision for him.

Agrarianism is an attractive way of life, however it is not based on the proper foundations for an economic system. The fundamental problem lies in the fact that the Agrarians would rely on government intervention through subsidies and other methods to perpetuate their system if it does not survive on the free market. If an individual prefers an agrarian lifestyle he is free to
enter into it himself and to support others in their similar endeavors. If he favors the small businessman or shopkeeper over large corporations then he may patronize his business to help it to remain viable. But when a business or farm requires government assistance to continue operating one must realize that consumers no longer desire its services. Another significant problem is the inability of an agrarian system to support the present population. A system that could lead to the death of a substantial portion of the population is quite obviously unfavorable. As much as one may miss small-town or country life and values, one must recognize that progress is not always evil. Change will occur as it is aligned with actual consumer preferences and needs. If the consumer truly preferred to stay in the country and live an agrarian life, then he could establish a society as the Amish have. However each individual must choose the route that is best for him personally.
Works Cited


