

From Weight Watchers to State Watchers: Towards a Narrative of Liberalism

A review essay on: Alan S. Kahan. *Mind vs. Money: The War between Intellectuals and Capitalism*. New Brunswick, NJ: Transaction Publishers. 2010.

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Abstract: Alan Kahan's *Mind vs. Money: The War between Intellectuals and Capitalism* (Transaction Publishers, 2010) treats intellectuals as a class, and tells of intellectuals' yearning to play the role of cleric and of aristocrat. Kahan says that intellectuals are necessarily alienated from "capitalism." In this essay I discuss Kahan's erudite and insightful – though sometimes exasperating – work, and I take the opportunity to develop some ideas on the topic, ideas in line with Hayek's thought.

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When our government is spoken of as some menacing, threatening foreign entity, it ignores the fact that in our democracy, government is us. We, the people -- (applause.) We, the people, hold in our hands the power to choose our leaders and change our laws, and shape our own destiny.

-- Barack Obama (2010)

Most classical liberal scholars make a career in certain areas of study, and, if heroic, in developing public-policy argumentation. But they make a career within their academic profession, the “policy community,” or whatever, and they remain anxious about their standing there. The narrowness of their professional concern is one reason they rarely step back and address any of the much larger questions that weigh on the classical liberal, questions that would likely alienate their peers and eminences.

The momentous question weighing on the liberal is this: Presupposing that liberalism is enlightened, why has it not succeeded more than it has? Why, in fact, in the Anglosphere and elsewhere, did it fall into tatters from about 1880 onward, and never really make much of a comeback? Why is it that today, when communication costs are so low, it remains so culturally weak? If liberalism is enlightened, why aren’t more people, more reliably, more faithfully finding their way to it? Why can’t liberals enlighten more than they do?

It is the presupposition necessary to motivate the question – the presupposition that liberalism is enlightened – that is sure to alienate any very respectable community. Unwilling to declare such a presupposition, liberals simply shy away from the momentous question.

And there is yet another major reason why so few have taken up the momentous question: Once we confront it, we immediately find ourselves immersed in a whirlpool

and feel ourselves drowning in torrents without beginning or end, without cause and effect. We can hardly swim because the torrents are not of plain water, but of varying and uncertain substances, partly politics, partly evolutionary psychology, partly economics, partly cultural dynamics, and many other parts still, and everywhere all manner of history – social, cultural, religious, intellectual, political, economic, and so on. In such a swirl, one flails about looking for a post or harbor pile fixed below and protruding above the violent surface. Seeing a post, you lunge and grab hold, and try to find a way to stand there. From the swirling materials you begin fashioning some answers to the momentous question. In such a tempest, one can hardly clarify even within one's own mind who it is that one supposes to be his auditors.

Ludwig von Mises's *The Anti-Capitalist Mentality* (2006 [1956]) declares liberalism enlightened and takes the identified mentality as something to be explained. The explanations advanced by Mises I find somewhat unimpressive. Yet the little book is remarkable and important for declaring the explanandum.

I hope that these remarks may help to convey my great admiration of the new book by Alan S. Kahan, *Mind vs. Money: The War between Intellectuals and Capitalism*. It boldly presupposes that “capitalism” is widely underappreciated, and it valiantly develops ideas to address why that is. In short, the intellectuals keep making up and spreading misunderstandings and foolishness. Here, in reviewing Kahan's book, I will take the opportunity to take the topic in some ways of my own.

Trained at Princeton and Chicago in history, and formerly a Marxist socialist who changed significantly during and since his extensive studies of Tocqueville, Kahan commands vast learning in history and the sorts of social theory used by historians,

sociologists, and leftist intellectuals generally. He boldly brings such knowledge to bear in telling a narrative of great proportions. The book is appealing in many ways, not least for the fact that Kahan openly describes his telling as a polemic (p. 23).

The simplicity of the framing is almost astonishing. The framing is that there is something called “capitalism” and there is a “class” of actors called “intellectuals,” who are inevitably alienated from “capitalism.” Except for a brief “honeymoon” period, best symbolized by Adam Smith, intellectuals have otherwise always and everywhere opposed capitalism. In the book, capitalism is also dubbed “money,” and intellectuals “mind” – hence the title *Mind vs. Money*.

Intellectuals are not only treated as a monolithic class, but even sometimes as a being living through the eons. Thus, the liberal period is a “honeymoon,” after which time our two newlyweds, mind and money, were subsequently “divorced” and lived on in mutual hostility.

There are virtues to Kahan’s simplifications. The prose is punchy. The narrative tours vast cultural ground, with frequent stops to tell important episodes. Here is an example:

The Russian Revolution’s impact was enormous. Something that had hitherto been a fantasy, a successful anti-capitalist revolution, had suddenly come to pass. It transformed intellectual opposition to capitalism from a pastime into a deadly form of roulette. It showed that what intellectuals said about capitalism mattered.

[I]ntellectuals supported the Russian Revolution because it was made against capitalism. Hatred of the bourgeoisie, rather than any commitment to Marxism, was enough to make intellectuals support it. Russia had abolished capitalism, and intended to create an egalitarian society, and that put the communist regime on the side of the angels. (Kahan, 174, 176)

Using the mind-vs.-money frame, Kahan supplies instructive remarks, even short sections, on a wide array of figures including Plato, Aristotle, Cicero, Seneca, St. Augustine, Aquinas, Montesquieu, Rousseau, Babeuf, Hume, Smith, Proudhon, Tocqueville, Dickens, Marx, Bakunin, Mill, Murger, Gissing, Wilde, Morris, Ruskin, Arnold, Alger, Zola, Le Bon, Gide, Nietzsche, Weber, Toennies, Kautsky, Heidegger, Mann, Marcuse, Mournier, Horkheimer, Adorno, Foucault, Howells, Dewey, Tugwell, Fromm, Schumacher, and Kristol.

Meanwhile the book contains precisely *zero* mentions of the following: Say, Bastiat, Spencer, Marshall, Lewis, George, Sumner, Mises, Nock, Rand, Hazlitt, Rothbard, Buchanan, and Friedman. Nor is there mention of Eastman, Chambers, Kirk, and Buckley. Also never mentioned are Mont Pelerin, libertarianism, the Institute of Economic Affairs, and the worldwide burgeoning free-market institutes and think-tanks. Hayek gets a single inconsequential mention. Mencken is mentioned twice, but portrayed simply as a mocker of capitalism. (I use the term C-word, under protest, because Kahan does.)

There are glancing indications of ideological migrations, as in the cases of Silone, Spender, and Koestler. But Kahan essentially makes nothing of the pervasive migrations

away from socialistic views. There is a very brief treatment of neo-conservatives – “typical intellectuals who took atypical positions” (236). Kahan belatedly remarks on page 231, “Of course, at no time were all intellectuals ever opposed to capitalism, but the neocons ... are a special case that demands attention.” Why the neocons and not the leading classical liberals and pro-capitalism conservatives of the past 200 years? Kahan never says.

How does a sweeping book on intellectuals and capitalism leave all this out? Remember, after the early honeymoon period, ending “around 1820 or 1830” (66), mind and money got divorced and ever after remained opposed. That’s Kahan’s story, and he sticks to it.

Perhaps most warring intellectuals have warred on capitalism. But I feel surer in saying that most warring intellectuals have warred on other intellectuals. Class analysis has its uses, but merchants compete with other merchants, laborers with other laborers, and intellectuals with other intellectuals. In neglecting this, Kahan’s book is sometimes exasperating.

Kahan says intellectuals give capitalism a bad rap. But does Kahan explain why intellectuals so systematically oppose and misunderstand capitalism? Throughout the book Kahan develops certain traits of intellectuals. Many intellectuals have a Bohemian tendency, thinking of themselves as independent of “the system,” or alienated from it. But the two traits that Kahan treats as essential and central to the story are: (1) The intellectual aspires to a role like that of *cleric* – “intellectuals see themselves as the moral conscience of society” (p. 12); and (2) The intellectual imagines himself a sort of *aristocrat*, in a cultural if not also political sense.

The two traits – clerical and aristocratic wannabeism– are related. A culture that takes its clerics seriously is a culture in which leading clerics enjoy a position of cultural leadership. Also, any aristocracy will serve functions like those served by clerics, since the cultural and political order is inevitably an object of some attachment and commitment and tradition, often reverence, and even worship. Moreover, cultural and political leaders, particularly leftist and fascist, might assert an encompassing experience and romance about government itself, a pseudo-religion with pseudo-clerics sitting in public office and satellite cultural institutions. “Just as they are a pseudo-clergy, intellectuals are a pseudo-aristocracy” (14).

Kahan’s own leftist intellectual background is evident throughout the book, in the words he uses and ways he tells the story. Although Kahan gives roles to ideas, social developments, and historical events, his explanations of the war between intellectuals and capitalism revolve around matters of class interest: “Intellectuals are attempting to take on the aristocratic (and clerical) role of imposing their values on society at large” (216). Yet “[d]emocratic capitalism prevents intellectuals ... from fulfilling their aristocratic and clerical identity. *Intellects* are alienated” (216).

Why did the honeymoon between intellectuals and capitalism ever take place?

Kahan explains:

For the most part, however, eighteenth-century intellectuals were still relatively modest, at least before the French Revolution. As a nascent class still in the early stages of formation, they were not yet the pseudo-aristocracy they would become – their pretensions were not yet that great. ... Intellectuals’ pro-capitalism had

been fueled to some extent by their resentment of the rank, privileges, and status of the aristocracy. To put it baldly, since capitalism undermined aristocracy, it was a good thing from an intellectual's point of view. (83, 88)

Hmm. It does not seem to me that an interest in bringing down a culturally rival class would have been a major factor in Adam Smith's decisions as to the ideas he would take stock in, develop, and promote. Still, Kahan's idea is provocative. Perhaps the cultural interests of contending classes – “intellectuals” versus “old regime” – was a factor in making the conditions favorable to the ideas of the Scottish intellectuals. But perhaps those ideas blossomed from other motives, such as the love of liberal norms and enlightenment, motives that prevailed (to the extent they did) because contending baser motives were unusually weak at that time and place.

And why did the divorce take place? “The most important reason for the outbreak of war between mind and money was the full emergence of the intellectual class” (85). “Once the traditional aristocracy had been put into the shade by rising middle classes, the situation was different. Now, rather than diminishing the status of their rivals, the old aristocracy, capitalism was the support of a new rival, the businessman” (88). “Whether the bourgeoisie was the ruling class in nineteenth-century Europe (probably not) is not the issue, what matters is that they were perceived to be by people like Karl Marx. Many nineteenth-century intellectuals, not just Marx, saw the bourgeois as the new, and newly dominant, enemy” (89). “Hostility grew over time, gathering momentum until 1880 or so, when it was firmly established” (84). Meanwhile, the “proletariat provided a class of victims on whose behalf intellectuals could fight” (88).

Kahan's treatment is much richer than these few quotations, and he points out differences in the American scene (90), but the quotations provide the mainline of the story of the honeymoon and the divorce. Going forward, "[t]he new understanding of capitalism as antagonistic to equality was so strong that it soon became unimaginable that it had once meant greater equality" (90-91). The literature and intellectual culture grew increasingly anti-capitalist. "The capitalist's reputation became what it remains today" (130).

Kahan's chapters on the twentieth century and "recent battles," including anti-Americanism, anti-globalization, and environmentalism, brim with insights on a great variety of illiberal intellectuals, but I pass over it all except to share this quotation: "The '60s saw the arrival of sex, drugs, rock 'n' roll, and youth culture. ... [T]he counterculture was sometimes political, but always opposed to capitalism" (226). For a view that accentuates the libertarian elements of the so-called counterculture, see Riggenbach (1998).

Kahan's war between mind and money reaches back to Plato, and it has proceeded without respite for nearly 200 years. For 250 pages – apart from some initial anticipation – it had seemed that Kahan defined intellectuals as wannabe clerics and aristocrats, criticized them for their greed, and consigned them to alienation from capitalism. Yet in the last chapter Kahan proposes that intellectuals "give peace a chance" (291). Society needs intellectuals to play cleric. I agree, but the shift struck me as incongruous. The clerical/aristocratic wannabeism goes suddenly from being a scandal to being an understandable and even laudable aspiration.

What Kahan calls for is simply “détente,” a truce. Apparently Kahan wouldn’t think of asking intellectuals to actually understand and affirm classical liberalism. He only calls on them to temper their animosity, to reconcile themselves with commerce and markets, and to supply the demand for meaning and moral interpretation and instruction. “Rather than attempting to get rid of capitalism, reformed intellectuals can supplement capitalism’s enlightened self-interest with a wider moral perspective” (282). “By participating in society’s general education, the entire intellectual class can improve capitalism. By accepting that this is their role, they become its loyal opposition” (288). I would submit that we have here examples of why we should avoid the C-word.

Kahan is not the first to treat intellectuals as a class, but he takes that frame and develops it through the ages in addressing the momentous question of why classical-liberal enlightenment is not more successful. His interpretations might have shortcomings, but they also provide an overarching narrative of considerable power and insight. The book is a great contribution to literature on the fortunes of free-market capitalism.

If I could supplement Kahan’s book, I would suggest a couple of ideas.

In the chapter on the eighteenth-century, Kahan writes: “Rousseau’s ideas were considered amusing intellectual fantasies by many, perhaps most of his readers. But intellectuals’ egalitarian dreams have a way of taking on reality” (56). What is it that makes certain dreams more seductive than others?

I am very attracted to the epic narrative of human history that one can draw out of various writers, especially Hayek (1978, 1979, 1988), as well as Paul Rubin (2002, 2003). It is a narrative that starts with the Paleolithic band. Its nature, epistemics,

mentality, sentiments, and ethos are in our genes. Agriculture, settled society, and the development of tribes and nations “came late in our existence as humans—probably too late to have left a significant mark on our evolved preferences or intellects” (Rubin 2002, 161). New learning about “the 10,000 year explosion” (Cochran and Harpending 2009) notwithstanding, we may presume that today the genetic make-up of the entire family of humankind remains basically like that of those in the Upper Paleolithic ending about 10,000 years ago. That genetic make-up evolved over millions of years to work in small, closed, enduring, inward-looking, solidaric circles of 20-100 people. The unsubtle mind of band-man sees society as organizational, not a network of spontaneous relationships. It yearns for an encompassing coordination of sentiment, not a cosmos of intersecting romances. It yearns for common knowledge, and is uncomfortable with disjointed knowledge. It yearns for social justice, and is not satisfied with merely procedural or commutative justice. It presupposes a configuration of collective ownership, not one of individual ownership. As the band passed to the tribe and the nation, the unsubtle mind was taught restraint, social hierarchy, and increasing complexity, and the closed society of the tribe and the nation eventually developed into the open society, and ideas of the subtle mind flowered in the 17th and 18th century and developed into what would be called liberalism. But the liberty principle brought a “great transformation” (K. Polanyi 1944), and a great reaction that found its way back to the unsubtle Paleolithic mentalities and ethos. The great magic was democracy, as was noted by Tocqueville (1969, 690-695). Democratic superstitions both seduce cultural leaders themselves and allow them to play on certain instincts of their supporters, instincts of egalitarian solidarity and the unsubtle mentality. The social democratic cultural reaction made a chaos of liberal

semantic and stomped on liberal norms and rules. Hayek (1978) wrote a paper called “The Atavism of Social Justice,” but he sketched a much broader story of the paleo-atavism of social democracy:

Who then observing this encounter [between Hume and Rousseau] would have believed that it would be the ideas of Rousseau and not those of Hume which would govern the political development of the next two hundred years? Yet this is what happened. It was the Rousseauesque idea of democracy, his still thoroughly rationalist conceptions of the social contract and of popular sovereignty, which were to submerge the ideals of liberty under the law and government limited by law. It was Rousseau and not Hume who fired the enthusiasm of the successive revolutions which created modern government on the Continent and guided the decline of the ideals of the older liberalism and the approach to totalitarian democracy in the whole world. (Hayek 1967 [1963], 120)

In Kahan’s book, there is nothing about our genetic inheritance, about the social-democratic cultural reaction as an atavistic assertion of primordial yearnings and mentalities, although consonant chords are struck in many passages (34-61, 109, 129, 134, 136, 146-149, 213).

Finally, I would like to offer some remarks relating to Kahan’s treatment of intellectuals as clerics, and why some of their tendencies are statist.

Smith and Hayek said that, by and large, beyond our local setting we lack the knowledge to make our benevolence effective. Smith and Hayek helped to formulate and establish a web of verities, by-and-large truths, intended to establish a presumption of liberty, a presumption that we don’t know enough to intervene beneficially. The underlining character of their liberal philosophy is one of humility. Now, as scholars, we may illustrate the verities, but adding yet another illustration of them is really of marginal significance. We may try to deflate any of the myriad hubristic contraventions of the liberty principle, but such work is largely of a critical nature. Enlightenment thus does not

make for a “progressive research program,” in the sense of an epistemic conquering of the cosmos. Moreover, it does not fit the image of science as precise and accurate. People who avoid what Hayek (1989 [1974]) in his Nobel address called “the pretence of knowledge” can, certainly, live a scholarly life, but a contemplative and critical sort of life, one out of step with academia in a number of significant ways.

Liberal intellectuals have a crucial role to play in the clerical function. They can help the individual in his or her search for meaning by teaching certain broad frames within which meaning is sought and found. In the individual’s living context of meaning, however, little can be gotten from liberal intellectuals. Their chief value consists in telling the individual where *not* to look.

To store energy, evolution selected for a penchant for sweets, and we learn to subdue that now-troublesome penchant with the help of institutions like Weight Watchers. Evolution also selected for penchants that since the end of the 19th century have too often indulged themselves with social democracy, and to meet the kind of duties drawn out for us by Adam Smith we need State Watchers. Look elsewhere in the life-space, and, if necessary, learn to carry on with less meaning than primeval instinct demands.

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