The core of Pollack's analysis is his comparison of the political economy of Adam Smith with that of the Populists. More precisely, his comparison is of Smithian and Populist economics as perceived by selected spokesmen or by himself. Over a broad range of principles, the liberal emphasis on individual autonomy ("internal economic activation") was common to both the Smithian and Populist positions. Populists were skeptical, however, of the self-correction mechanisms of the 18th century model. Pollack quotes from Henry Lloyd "Liberty produces wealth, and wealth destroys liberty" (p. 131). Competition is desirable as an engine of efficiency, but competition fails when it leads to restricting combinations.

The Populist position rested heavily on independence, individual initiative, and private property to stimulate development in the capitalist system. The Populist position did not oppose capitalism but encouraged its competitive features. The role of government was not to replace private initiative but to see that it could function in the widest possible arena. Pollack writes "Aimed with the benefit of a century of capitalist practice unavailable to Smith, they [Populists] questioned the adequacy of a self-adjusting mechanism unless it was within a state framework" (p. 139).

In his interpretation of various Populist proponents and in his own synthesis, Pollack draws not directly on Adam Smith but on an undefined, but probably widely accepted, simplification of "invisible hand" economics, based on self-interest and a survival-of-the-fittest competition. The benevolence principle contained in Smith's Theory of Moral Sentiments is absent. In fairness to Pollack, his purpose was to contrast the apologies of ruthless capitalist expansion of the 19th century with Populist principles. Smith was merely his talking horse, and he carefully acknowledges the anti-mercantilist context of Smith's economic perspective, a context that saw government as intruder rather than protector of economic opportunity.

Pollack relates elements of populist doctrine to the form of laissez faire economic policy dominant in the
late 19th century. His model of Populist doctrine is a distillation and interpretation, of leading writers and speakers of the time. In William Peffer he sees the Populist notions of the value and dignity of labor, and of corporate organization robbing the independent will of laborers to contribute to the economy. In James Weaver and others he finds that the lost independence of labor results from an imbalance of private and public forces. He quotes Scott Morgan on the effect of market structure on farmers: "Monopoly names the price of what they have to sell, and charges them what it pleases for what they are compelled to buy" (p. 20). To the economic structure arguments he adds Thomas Nugent's moral criticism of monopoly, which attacked the corrupting influence of economic concentration, yet avidly supported the sanctity of private property.

Populists emphasized the importance of independent, freely negotiated economic decisions, widely held private property, and unrestrained markets. Today, they might use the cliche, "level playing field." Their view of the role of government was one of countermass to monopoly. Pollack draws on Davis to show that the Populist view of the necessary and proper functions of government, as declared by the Constitution, properly includes measures to assure that the free-market economy is indeed free for all to access on an equal footing. It is from views such as James Davis's that arguments for public ownership of utilities and railroads were derived.

Populism was a turning point in America's development of capitalism. It is perhaps remembered too often for slightly quirky monetary ideas, and not often enough for its trust busting and for the then-declared "socialist" ideas of a graduated income tax, parcel post, 8-hour workdays, popular election of Senators, legislative initiative, and referendum, and the Australian ballot (which carries candidate names and the texts of propositions, and is given to voters at the polls), institutions we now take for granted. As we emerge from the 1980's, we would do well to reread the Populist story, and from it gain insights for America's policies in the 1990's.

Anyone involved with, interested in, or affected by, agricultural economic policy or, for that matter, the future course of American capitalism and democracy, should find Pollack's book valuable.
Capitalism, Socialism and Democracy is one of the great classics in twentieth century social science. What makes Schumpeter’s book so brilliant are three things in particular: its novel view of democracy; its heretic analysis of the workings of the capitalist economy; and its provocative argument that capitalism is bound to disappear not because of its failure, but because of its success.

Schumpeter’s style, it should be emphasized, also makes the book a pleasure to read: “Even if, in places, you may dislike what Schumpeter says, as one reviewer put it, you will like the way he says it.”

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