Small business owners played a key role in the rise of postwar conservatism. New historians of capitalism have shown how business activism shaped the politics of the postwar era, funded the rise of movement conservatism, and endeavored to roll back the New Deal. But the image of the small businessman is also an important figure in the struggle for the cultural legitimacy of conservatism. This essay looks at the role that Progressive Era writers, such as Charlotte Perkins Gilman, Jack London, and Edgar Rice Burroughs, played in restoring the image of the small business owner—especially after the shady business practices, corruption of politics, and scandalous personal lives of the captains of industry in the preceding decades had dealt a severe blow to the image of business.

By around 1900, the cultural legitimacy of the business owner was in free fall. Although the Benjamin Franklin model of diligent self-making still held sway over the public—attested by the Horatio Alger revival in the first decade of the twentieth century—Franklin's faith in upward mobility through entrepreneurial resolve was quickly becoming outdated in an era of severe economic inequality, nationally integrated markets, and large-scale industrial production. Marveling at the tenacious belief in the US that businessmen serve the public interest, Thorstein Veblen noted “a naïve, unquestioning persuasion abroad among the body of the people to the effect that, in some occult way, the material interests of the populace coincide with the pecuniary interests of […] businessmen” (136). But in his dissection of business practices and their underlying assumptions in *Theory of Business Enterprise* (1904), Veblen also predicted the imminent demise of business interests in society. While he claims that business controlled the political system to the extent that “modern politics is business politics” (128), he also argues that business methods are inherently wasteful and based on habits of thought that are incompatible with industrialization, what he calls “the machine process” (see ch. 2). Business enterprise rests on the Lockean principle that ownership is a natural right derived from the assumption that labor gives a right to property. For Veblen this principle comes from a view of labor as a handicraft that “awards the ownership of property to the workman who produced it” (138)—a view that the industrial process had rendered obsolete. But if the craft system had passed, the principle derived from it lingered, providing the continued legitimation of business practices:
By a dialectical conversion of the terms, this metaphysical dictum is made to fit the circumstances of later competitive business by construing acquisition of property to mean production of wealth; so that business man is looked upon as the putative producer of whatever wealth he acquires. By force of this sophistication the acquisition of property by any person is held to be, not only expedient for the owner, but meritorious as an action serving the common good. (Veblen 138)

While natural rights theory for Veblen, which assumes direct causality between work and property, is “an article of popular metaphysics” (136) left over from preindustrial times, the machine process, in contrast, entails an interconnected system of cumulative causality so complex that it requires trained experts to operate it. With the modern ascendancy of the machine process that trained workers to think in terms of sequences and processes, the cultural legitimacy of the business enterprise was bound to suffer: “the industrial classes appear to be losing the instinct of the individual ownership,” Veblen writes, resulting in a general “weakening of the natural rights animus” (155). Veblen’s criticism of conventional beliefs, such as natural rights, was characteristic of the attempts of Progressive reformers to shake up traditional institutions and beliefs. Daniel T. Rodgers describes the Progressive Era as “a concerted assault on […] a particular set of formal fictions traceable to Smith, Locke, and Mill—the autonomous economic man, the autonomous possessor of property rights, the autonomous man of character” (“In Search of Progressivism” 124). Two decades later, however, Progressivism had run its course. Veblen’s prediction that the machine process would undermine the legitimacy of business practices had not come to pass. To the contrary, Theodore Roosevelt’s efforts to regulate business had given way to the business-friendly platform of Warren G. Harding. Running with the slogan “Return to Normalcy,” Harding had won the 1920 presidential election for the Republican Party by a landslide, crushing not just the Democratic candidate, but also Eugene Debs of the Socialist Party. That Sinclair Lewis felt the need to satirize “the modern business man” (7) in his 1922 novel Babbitt is a reminder that business interests had emerged stronger than ever at the end of the Progressive Era. Discussing the upcoming 1920 election with a neighbor, the title character in Lewis’s novel asserts that what is needed “is neither a college president nor a lot of monkeying with foreign affairs, but a good—sound—economical—business—administration, that will give us a chance to have something like a decent turnover” (21). The passage mocks the conventional wisdom that won Harding the election: the conservative notion that a good businessman makes a good president. Considering the crisis of business legitimacy only a few years earlier, what is striking about Babbitt is not the association of businessmen with sound economical behavior, but the revival of the idea in the first place—to the extent that it won a presidential election and warranted Lewis’s satire. The question, then, is what happened in the course of the Progressive Era to shift the public image of the business owner from the personification of irrational greed to a paradigm of political leadership? My aim here is to shed light on this question by examining how Progressive writers, such as Charlotte Perkins Gilman and Jack London, articulated a vision of industrial reorganization that not only resonated with Veblen’s machine process, but which
also departed from it in significant ways: While their commitment to industrial efficiency over pecuniary self-interest aligned them with Veblen’s technocratic vision of society, overlapping commitments in their work to private property and entrepreneurial risk at the same time helped remake the image of the small business owner for the twentieth century—an image that was mobilized to great effect by the conservative movement after WWII.

Capture and the New Class Theory

Since Progressivism is the enemy *par excellence* of conservatism, it makes sense to return to the Progressive Era in order to flush out the roots of the historical antagonism. While the first couple of decades of the twentieth century are labeled progressive due to reforms in everything from education to health care to tax laws to food legislation, this view came under fire by New Left historians in the 1960s. For Gabriel Kolko, among others, the Progressive Era meant rather *The Triumph of Conservatism* (1963). Kolko defines conservatism as “the attempt to preserve existing power and social relationships” (2). The federal regulations imposed on corporations to limit their erratic bids for market dominance and the economic instability resulting from such competition, was not a question of the state controlling businesses, but rather vice versa. For Kolko, “regulation itself was invariably controlled by leaders of the regulated industry” with a view to stabilizing the economy for long-term profits. “It is business control over politics,” he writes, “rather than political regulation of the economy that is the significant phenomenon of the Progressive Era” (3).

Other historians at the time, less radical than Kolko, also emphasized the role of business in shaping the Progressive Era. Robert H. Wiebe, for instance, shows how a flurry of associations created to protect the interests of various business groups in the period ended up transforming US politics. Capsizing the notion that progressives were disinterested crusaders fighting to redistribute the spoils of the Gilded Age, Wiebe documents the role that businessmen played in the reform movement, especially when it came to pushing for regulation. The problem, for Wiebe, was that progressive reforms were largely “negative”—that is, reformers “placed most of the new power in regulatory agencies which they detached from the executive and the legislature” (4). They did this because of a general skepticism toward government following the political corruption of the preceding decades. The turn against machine politics didn’t entail the rejection of “big government,” but rather the professionalization of governing institutions, the attempt to “apply the disinterestedness of research, and the techniques of business management, to public affairs and civic problems” (Schiesl 112). The establishment of ‘neutral’ agencies apart from the government, however, also meant that these agencies were liable to be influenced by nongovernment actors. And, sure enough, as Wiebe writes: “The groups which the progressive agencies were designed to control captured them during the 1920s” (4). By the 1970s, the idea that “regulation is acquired by the industry and is designed and operated primarily for its benefit,” as the economist George Stigler wrote in a highly influential article, had become a commonplace notion (qtd. in Derthick and Quirk 9). The theory of capture—the control of regulatory agencies by vested interests—contributed to both the drive for
deregulation in conservative circles and the rediscovery of the healing power of the market around World War II. But as Rodgers notes, government regulation was criticized first by the “political left as a system of captive government agencies that pliantly did whatever the regulated industries wanted. Long before a serious conservative deregulatory movement took the field, the idea of genuinely disinterested public utility regulation had been thoroughly hollowed out by its radical critics” (Age of Fracture 60). The new talk about the wonders of the market could only be understood in the context of what was then called corporatism, or managerial capitalism. James Burnham, originally a Trotskyist, whose 1941 theory of capitalist development in Managerial Revolution aimed to show how a new class of professional managers had shifted the power balance in society from capitalist owners to bureaucratic managers, was formative for new conservatives, such as William F. Buckley and Irving Kristol. Since Burnham’s examples of managerial control had placed “New Dealism” (73) alongside Stalinism and Nazism, his theory held tremendous appeal to the postwar business groups who endeavored to roll back the New Deal. The theory of capture and the new class theory adopted by postwar conservatives were direct rejections of Veblen’s vision of the machine process guided by trained engineers and industrial managers. The 1950s saw a number of novels, most notably Kurt Vonnegut’s Player Piano (1952), depicting the industrial management of society as a corporate dystopia. In terms of language and rhetoric, such novels rejected the machine metaphor for society that Veblen had used to indicate a vast system of interlocking processes. Postwar writers also rejected the vastness associated with the machine process. But the criticism of mechanization and bigness was not really an invention of postwar culture. With deep roots in the Jeffersonian agrarian tradition, it arose in a recognizably modern form as a counter industrial and antimonopoly criticism within Progressive Era culture.

Business Conservatism in Progressive Era Culture

Cecilia Tichi reads art and literature in the Progressive Era, even that which ostensibly attacked industrial society, as examples of “the covert assimilation of machine values” (31). But often the assimilation of machine values was not so covert. Leading writers and intellectuals of the period, like Charlotte Perkins Gilman and Jack London, shared Veblen’s commitment to taking control over the industrial process from irrational business interests and placing it in the hands of technical experts able to manage its complexity. Gilman ardently embraced Edward Bellamy’s utopian socialism and wrote stories about all-female collectivities, such as Herland (1915). London was known as the "Boy Socialist of Oakland" and repeatedly criticized the influence of business in society as inefficient. In his 1909 essay “Revolution,” he claimed that “the mass of mankind is miserable [...] because the capitalist class managed too wastefully and irrationally. The capitalist class, blind and greedy, grasping madly, has not only not made the best of its management, but made the worst of it. It is a management prodigiously wasteful” (31). The answer, as for Veblen, was “a rational organization of production and distribution” (32). It was also the answer of some of London’s most popular books, such as People of
the Abyss (1903) and Iron Heel (1908), both of which claimed that the mismanagement of society was the cause of economic inequality. Unlike Veblen’s exorciation of business culture, however, London’s attack on the “blind and greedy” capitalist class neither included business as such nor the “popular metaphysics” of natural rights theory that justified it. On the contrary, business practices could be the solution when the problem was framed as a question of mismanagement. At the end of People of the Abyss, London concludes that “[c]ivilization must be compelled to better the lot of the average man,” but then immediately continues: “This accepted, it becomes at once a question of business management. Things profitable must be continued; things unprofitable must be eliminated” (315, emphasis in original). The passage indicates the extent to which liberal reform ideology—“to better the lot of the average man”—could be co-articulated with conservative business rationality without apparent contradiction in the early years of the Progressive Era. The figure of the average man and his defense against predatory business interests is a statistical fiction as important to liberal cultural legitimacy as the defense of the small businessman against the encroachment of government is to the conservative imagination. Gilman’s well-known investment in eugenics represents the darkest side of statistically informed liberal ideology. But while she may have written a quasi-socialist eugenic utopia in Herland, the aim of the organized housekeeping that the young female protagonist undertakes in What Diantha Did (1910) is “to get ‘housework’ on a business basis” (161). Joining the struggle for women’s economic independence with the “domestic economy” (35) of scientifically managed housework, Diantha is so successful that she becomes a “young Amazon of Industry” (176) while her model of organized housekeeping has the potential of becoming “one of the biggest businesses on earth—if not the biggest!” (141). The vision of societal control in Herland and the business rationality in What Diantha Did are two sides of Progressivism linked by the language of efficiency. Business leaders often subscribed to efficiency measures in the reform movement, even spearheaded reform with the hope of reducing disruptive class antagonisms. Yet as Martin Schiesl points out, the shared faith invested in efficiency did not hold together for long: “By 1912 the efficiency movement appeared to be separating along two paths: while businessmen continued to use the language of the budget and social control, the research agencies were talking more in terms of economic fairness and social welcome” (126). Such a split is most evident in London’s work around this time. Unlike Gilman, who was committed to industrial economies of scale and was ambiguous about the institution of private property, London attacked big business and upheld the sanctity of ownership. In the course of his career he turned increasingly from larger visions of social reorganization to private ones, specifically centered around the ranch that he bought in 1910 in California’s Sonoma Valley. Here London carried out experiments in sustainable agriculture as an alternative to the rise of industrial agriculture that had turned farming in California into a big business, the so-called bonanza farming. In 1913, London published Valley of the Moon that was partly based on his ranch experience. The novel is interesting because it dramatizes three related issues that turned London from the Boy Socialist into a landowner and businessman. The first issue is the dystopian representation of mechanized labor in the novel. The novel
begins with a scene in a steam laundry, where an elderly female worker succumbs to the exacting toil of the work. Through references to “labor efficiency” and “inadequate movements” (3), the novel cites the discourse of motion studies and scientific management that was transforming industrial labor at the time. The woman not only collapses, but to all appearances is turned into a machine when she starts “shrieking persistently and monotonously, like a mechanical siren” (4). As Mark Seltzer shows in *Bodies and Machines* (1992), the turning of bodies into machines is a common trope in naturalism. For London, who came from a working-class background and had held several factory jobs, becoming a machine had decidedly negative associations. One problem with mechanized labor was its harmful effects on the body. Another was the deskilling of workers that mechanized labor entailed. London had emphasized the importance of skills in contrast to simply following rules in his essay “Joy of Small-Boat Sailing” (1911). Opposing small sail boats to large ships with engines, he writes that the small-boat sailor is someone who requires “[m]ore skill, more intelligence, and a vast deal more training” (254) than a sailor on a motor boat, who “knows nothing, and cares less” (245). While work on large ships is described as monotonous, small-boat sailing, in contrast, is represented as full of “genuine excitement and thrill” (247) as well as being good “exercise” (253). The distinction is also framed in class terms. While the sailor on large motor boats is a common worker, who “pulls and hauls as he is ordered” (245), London himself, who is the small-boat sailor in question, was “the captain and owner” (246) of his own little vessel. The alignments in London’s essay couldn’t be clearer: machines, alienation, and bigness on one side; excitement, ownership, and smallness on the other. All of these issues come together powerfully in *Valley of the Moon*. Next to the criticism of mechanization, ownership is key to the success of the novel’s two protagonists, Saxon and Billy, who leave their working-class jobs in Oakland to search for the good life in the countryside. The problem of industrial work is not only that it is physically harmful, but that one doesn’t reap the benefits of the toil. Billy emphasizes the value of his body by referring to it as “silk.” By working as a teamster in Oakland for a big company, Billy complains, “I’m sellin’ my silk slow every day I work” (69). Wearing out the silk of his body with nothing to show for it has grim prospects, which he contrasts with the hard work of his settler forefathers, who at least “worked for themselves” (69). Billy’s desire to own the fruits of his labor is what drives his and Saxon’s search for land. For Veblen, however, “the claim to the full product [of labor] is an article of natural rights dogma” (162). While this idea once held a strong place in socialist thought, the new habits of work formed by the machine process had corroded natural rights dogma among the industrial classes to the extent that it had become the major dividing line between conservatism and socialism. If the return to natural rights in *Valley of the Moon* is a reaction against the sort of labor that devalues Billy’s body, then the search for property also leads to the novel’s second point of criticism: bigness. Bigness is a trope at the heart of US naturalism, particularly as it emerges from the muckraking tradition. Frank Norris’s *Octopus* (1901) about a large corporation that owns all the land is the most obvious example. But while Norris’s story was taken at the time as an indictment of capitalist greed, it is rather an indictment of a specific type of capitalism, namely monopoly capitalism, which
was seen as distorting the market laws of supply and demand. As is evident from Ida Tarbell’s attack on big business in *History of the Standard Oil Company* (1904), originally serialized in *McClure’s*, a leading antitrust magazine where Norris was an editor, the antitrust movement was all about safeguarding market competition. Tarbell had glorified the entrepreneurial pluck of the original oilmen of Northwestern Pennsylvania where she grew up. But with the consolidation of the oil business under John D. Rockefeller, “a big hand reached out from nobody knew where, to steal their conquest and throttle their future” (Tarbell 21). She describes the Standard Oil Company as “a machine with a head” (198), and “as perfectly centralized as the Catholic church or the Napoleonic government” (197). While the equation of monopoly power with centralized government prefigures the criticism of corporatism, the association of monopoly power with something foreign (Catholic, Napoleonic) also plays a key role in *Valley of the Moon*. Saxon and Billy have trouble finding a suitable plot of land, as most of the farmland is occupied by big landowners and immigrants. Big farmers are blamed for working the land to death because of their greed. Once Anglo-Saxon settlers came to California, the story goes, “[t]hey started gobbling everything in sight like a lot of swine” (331). Then, when all the land was taken, they began “gambling for franchises and monopolies, using politics to protect their crooked deals” (332). The result was that “[b]ig business begun; an’ big business means big business men; an’ every big business man means thousands of little men without any business at all except to work for the big ones” (236). “Little men” are at a further disadvantage now that they have to compete with immigrants. Like bonanza farmers, immigrants are accused of exhausting the soil. Not by their greed or corruption, but by their “industry,” a term that London gave a racial twist when he associated it with a Chinese “type” in his “Yellow Peril” essay from 1904. Likewise, Billy in *Valley of the Moon* asserts his whiteness against a racialized Chinese stereotype defined by excessive labor: “We ain’t Chinks,” Billy says, “We’re white folks,” and continues, “What does a Chink do? Work his damned head off” (340). In contrast, Saxon and Billy dream of “not too much work, and all the fun we want” (342). Being industrious and averse to taking risks, Chinese farmers are associated with the monopoly power that distorts markets. The Chinese farmer “controls his crop. He forces it or holds it back, with an eye on the market. And when the market is just right, there’s his crop, ready to deliver, timed to the minute” (341). The answer, finally, to the problems that *Valley of the Moon* dramatizes—mechanization, bodily depreciation, monotony, industry, and monopoly power—is starting a small business, which Saxon and Billy do in the end. Here, the small business owner arises out of the political and economic mess that the novel traces back to the combination of big business and immigration. Entrepreneurship in London entails physical and racial regeneration as well as personal fulfillment against the alienating and degenerating forces of industrial capitalism and industrious immigrants. The novel disassociates business from the Franklin model of self-control and the work ethic—now racialized as Chinese ‘industry’—and instead anticipates the post-WWII association of the businessman with vigorous risk-taking. Starting a business for Billy and Saxon is an opportunity to realize the “fighting spirit” of their ancestors (85). They may share the commitment to ownership with Babbitt, who as a real estate agent embodies the
institution of private property, but they reject the middle-class conformity that made Babbitt such an easy target of ridicule. The type of business ownership that they represent, therefore, has far greater cultural appeal for twentieth-century society turned increasingly toward consumer values. The dream of “not too much work, and all the fun we want” that they realize as business owners is a rejection of the type of business rationality associated with Franklin. They are not in business for profit: their purchase of property is, tellingly, a “happiness investment” (396). While a link between a self-professed radical, like Jack London, and the rise of postwar conservatism may seem speculative, the link gains substance when considering another popular Progressive Era writer. Edgar Rice Burroughs, best known as the creator of Tarzan, was both a political conservative and profoundly influenced by London’s adventure tales. Although Burroughs ostensibly turned to writing pulp fiction in order to escape his work as a writer for the business magazine System as well as other clerking jobs where he felt like “a very minor cog in the machinery” (qtd. in Kasson 166), he ended up with a company of his own, Edgar Rice Burroughs, Inc., to better control his intellectual property. Like London, Burroughs’s adventure stories *Princess of Mars* (1912) and *Tarzan of the Apes* (1914) contain white hypermasculine characters who serve as virile antidotes to the fear of overcivilization and ‘race suicide’ at the time. But if they soothed white male anxiety with their fantasies of racial regeneration through violence, they could also reinvigorate a business class whose material comforts threatened to turn them into what Roosevelt most feared: “a flabby, timid type of character which eats away the great fighting qualities of our race” (qtd. in Mallan 218). Although business plays no direct role in *Princess of Mars* or *Tarzan of the Apes*, it does in Burroughs’s business thriller *Efficiency Expert* (1921) about a business upstart who saves a company. The title references the efficiency craze of the previous decade, but it also parodies the notion of business expertise. The “expert” of the novel’s title, Jimmy Torrance, is a recent college graduate far more interested in sports than in following in the steps of his father, a successful businessman. Like so many of London’s characters, including Billy in *Valley of the Moon*, Jimmy is an excellent athlete and champion amateur boxer, yet “none of these accomplishments was greatly in demand in the business world” (10). Without any business experience, he bluffs his way to a position as an efficiency expert in a large company whose owner is “on the verge of nervous breakdown” (47), indicating the dangers of corporate life. Using only the business self-help guide “How to Get More Out of Your Factory” (115) and his innate qualities of “intelligence, aggressiveness, and efficiency” (113), he is able to streamline the company, uncover a payroll embezzlement scheme, and prevent an insidious takeover by the company’s assistant general manager, who needs money to pay off his gambling debts. The novel is replete with a brutish union leader and a labor agitator described as “a rat-faced little foreigner” (136), both of whom Jimmy trounces with his superior physique and boxing skills. Jimmy’s defeat of organized labor from below as well as the decadent establishment figure of the assistant manager from above is made possible by his outsider status. The fact that he lacks professional experience in business is a strength, as it allows him to quickly understand “the fundamental principle of efficiency, namely, simplicity” (124). Jimmy realizes that “for any practical purpose in life a higher education was as
useless as the proverbial fifth wheel to the coach” (54), and instead relies on his
instinct for business efficiency. In the end, he is asked to take over the
management of the company and successfully proposes to the wealthy friend of
the company owner’s daughter. Jimmy thus doesn’t only save the company but
promises to bring fresh blood to the business establishment by marrying into it.
Favoring simple business instinct over expert knowledge and risky self-made
success over a decadent corporate establishment, Efficiency Expert indicates the
complete rehabilitation of the businessman at the end of the Progressive Era, and
the emergence of a recognizably modern type of the business owner as at once an
anti-establishment figure and cultural hero of the conservative movement. In
Vonnegut’s big management dystopia, Player Piano, one of the characters is named
after the creator of Tarzan, Edgar R. B. Hagstrohm. Living a life of claustrophobic
material comfort, he resents the fact that he is an “average man” (156). The last we
hear of him is that he runs off naked into the woods of a bird sanctuary (250). By
mid-century, when Vonnegut wrote his novel, Tarzan and what he represents may
have seemed like nothing but an escapist fantasy with no more cultural power than
to drive a few citizens mad in a fully managed world. Little did he know that by the
1980s the criticism of corporatism would have turned into a wholesale assault on
‘big government’—and with the election of Ronald Reagan, the US would have a
president who claimed Burroughs as his favorite author.

Notes


[2] In “The Yellow Peril,” London writes that “[t]he Chinese is the perfect type of
industry [...]. Work is what he desires above all things, and he will work at anything
for anybody” (224). See Lye for an excellent discussion of the close link between
Asian exclusionism and antimonopoly discourse—“the intimacies of coolie fighting
and trust busting”—in California naturalism (58).

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