

JANUARY 2008

# YEOMAN'S RETURN: SMALL-SCALE OWNERSHIP AND THE NEXT PROGRESSIVE ERA

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THE NEXT SOCIAL CONTRACT

NEW AMERICA FOUNDATION



## EXECUTIVE SUMMARY

Though Americans are deeply divided in their politics, they still generally share one transcendent political value. It is the distinctly American notion that the widespread ownership of property—particularly homes, small businesses, and financial savings—benefits individuals and the nation. This core American belief descends from a political tradition in American life that is older than the Republic itself. It is the Yeoman ideal—which holds that small-scale property ownership confers special dignity and autonomy to the individual, while also improving civic participation and serving as a check on monopoly capital.

From Jeffersonian farmer to unionized craft tradesman to internet entrepreneur, the values of the yeoman have given shape to American politics. Challenged by the issue of slavery and later by the spread of mass production and consumerism, it is a tradition that nearly flickered out among both Republicans and Democrats in the 1950s, 60s and 70s, but that has been gaining new relevancy and urgency ever since.

The reasons include the declining market power of wage earners in a global economy and the unraveling of employer-sponsored health and pension systems—trends that increase the importance of asset ownership and economic self-sufficiency. They also include new technologies and shifts in consumer preferences that promise to favor small producers and holders of capital in the future if enabled by appropriate public policies.

Because of the long hold and widespread appeal of the yeoman ideal on the American political imagination, a politics that pays honor to this tradition has the potential to bridge the country's cultural divides while also advancing progressive policy agendas, ranging from health care, "open access" wireless communication and baby bonds, to anti-trust and farm policy.

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In recent years, the catch phrase for this value among Republicans has been the “Ownership Society,” which President George W. Bush began using in speeches early in his presidency to defend such initiatives as health savings accounts and the partial privatization of Social Security. Most Democrats opposed those specific proposals, of course, but not the core American belief in the value of small-scale ownership that lies behind them.

The Democratic Party, after all, has a long tradition of using antitrust suits to defend small business from monopolies, ranging from the Justice Department’s prosecution of Microsoft under Bill Clinton to Woodrow Wilson’s attacks on the trusts of his day. Democrats, along with Republicans, have also long championed programs designed to promote homeownership, including Federal Housing Administration and Veterans Administration mortgages, the mortgage interest deduction, and myriad

other direct and indirect means. More recently, many Democrats, under the banner of the “Opportunity Society,” have also embraced “asset building” programs aimed at the poor and the very young. Indeed, it is highly telling that proposals now in Congress to endow all Americans at birth with universal savings accounts have attracted supporters from across the political spectrum.

This core American belief in the value of broad-based, small-scale ownership descends from a political tradition in American life that is older than the Republic itself. Challenged by the issue of slavery and later by the spread of mass production and consumerism, it is a tradition that nearly flickered out among both Republicans and Democrats in the 1950s, 60s and 70s, but that has been gaining new relevancy and urgency ever since.

The reasons include the declining market power of wage earners in a global economy and the unraveling of employer-sponsored health and pension systems—trends that increase the importance of asset ownership and economic self-sufficiency. They also include new technologies and shifts in consumer preferences that, as we shall see, promise to favor small producers and holders of capital in the future if enabled by appropriate public policies.

Just what exactly those policies should be will become subject to intense debate, just as occurred during other eras of destabilizing change in American history. But it is no small matter that as Americans continue to search for ways to adjust the terms of their social contract to 21st century conditions, they can bring to bear a common heritage of ideas that has virtually defined the American political creed throughout most of the country’s history. Call it the yeoman tradition.

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## YEOMAN'S RISE

From our earliest days, a distinctive feature of the American experience has been the high proportion of property owners among the population. In one of the first works describing the American character, published in the late 18th century, J. Hector St. John de Crèvecoeur drew this contrast between the old world and the new: "Europe contains hardly any other distinctions but lords and tenants; this fair country alone is settled by freeholders, the possessors of the soil they cultivate, members of the government they obey, and the framers of their own laws...."<sup>1</sup>

In the mid-1700s, two-thirds of all white men in America owned property. Among the third who did not, many were young apprentices and indentured servants who soon would. In England, by contrast, the ratio of those with property to those without was reversed.<sup>2</sup> Thomas Jefferson's "yeoman farmer" was not just an ideal of political imagination in early American life; he was a typical white man of the era.

The yeoman ideal today seems archaic because we conflate it with agrarianism, for understandable reasons. As Jefferson famously wrote in his *Notes on the State of Virginia*: "Those who labour in the earth are the chosen people of God, if ever he had a chosen people, whose breasts he has made his peculiar deposit for substantial and genuine virtue."<sup>3</sup>

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Yet the yeoman ideal is not per se about the virtues of rural life; it is about the virtues of small-scale property ownership and the social and civic benefits most American still believe flow from it. Jefferson for example, did not imagine that slaves or tenants working the soil obtained any particular virtue thereby, and he had deep doubts about

the morality of his own slaveholding planter class. Indeed, in his later years, Jefferson expressed regret for having once denigrated urban labor and came around to the idea that the continued expansion of the country's industrial base was no threat to liberty so long as workers had the option to become property owners, which is the essence of the yeoman ideal. "As yet our manufacturers [that is, industrial workers] are as much at their ease, as independent and moral as our agricultural inhabitants," he wrote in 1805. "And they will continue so as long as there are vacant lands for them to resort to; because whenever it shall be attempted by the other classes to reduce them to the minimum of subsistence, they will quit their trades and go to laboring the earth."<sup>4</sup>

Jefferson's yeoman was thus only incidentally a farmer. If he farmed, it was because farming was then, for many, a good business. He was, far more importantly, a small-scale, entrepreneurial, family-oriented property holder, and from this, Jefferson and other defenders of the yeoman ideal have always believed, all sorts of benefits flow.

They are easily summarized. One is a stake hold in society that serfs, tenants, slaves, and urban proletarians lack. This longstanding American view finds expression today in the settled opinion of most Americans that homeownership makes for strong communities, while public housing, even if necessary to meet immediate practical needs, breeds crime and dependency.

The tradition also holds that widespread yeomanry improves politics. We no longer limit the vote to property owners, but the assumptions the Founders used to justify that policy are still with us. Informed participation in civic life, we still believe, requires time, education, and judgment. This in turn requires (many quietly believe) some measure of economic independence. Only as the majority of Americans joined a broad, asset-owning middle class did extending the franchise to tenants become not just politically possible but also, as it turns out, politically irrelevant. Most Americans today are homeowners and have at least some financial assets as well, while the small minority who do not seldom vote.

Another tenet of the yeoman ideal is that small-scale proprietors, (whether farmers, artisans, or store owners) exhibit virtues—sobriety, commitment to work, thrift, craftsmanship, and belief in the future—that are too often lacking in

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the idle rich and the idle poor. The yeoman also has a propensity to marry and raise children in a wholesome environment—whether a farm or suburban homestead—which is again a characteristic often held to be lacking in both the urban underclass and decadent, sterile elites.

For all these reasons, the yeoman also, it has long been held, makes a good defender of liberty. Arguing in favor of the Homestead Act in 1852, Rep. Galusha A. Grow of Pennsylvania exclaimed: “Man, in defense of his hearthstone and fireside, is an invincible against a world of mercenaries. In battling for his home, and all that is dear to him on earth, he never was conquered save with his life . . . In such a struggle every pass becomes a Thermopylae, every plain a Marathon. With an independent yeomanry scattered over your vast domain, the young eagle may bid defiance to the world in arms.”<sup>5</sup>

One of the greatest champions of the Homestead Act, Sen. Thomas Hart Benton of Missouri, reinforced the association between ownership and freedom that has so long dominated American political thought: “The freeholder . . . is the natural supporter of a free government, and it should be the policy of republics to multiply their freeholders, as it is the policy of monarchies to multiply tenants. We are a republic, and we wish to continue so: then multiply the class of freeholders...”<sup>6</sup>

The yeoman ideal thus reflects a perceived golden mean in society, comprising citizens unmoved by demagogues, naturally opposed to despots, engaged in productive labor, and also quick to defend their land and wholesome families from any threat. It is an argument at least as old as Aristotle, who distrusted both the very rich and the very poor, and who concluded that “the middle class is least likely to shrink from rule, or to be over-ambitious for it.”<sup>7</sup>

## WAGONS HO

Early America’s abundant frontier not only provided for the creation of a large class of remarkably prosperous freehold farmers, it also vastly improved the economic condition and political power of industrial workers compared to their European counterparts, just as Jefferson predicted. So long as the frontier remained open, employers had to deal with the reality that laborers could walk, quite literally, through the Cumberland Gap to a better life.

From the beginning, this feature of the American experience fostered the growth of a broad, property-owning middle class committed to the yeoman ideal. In his masterwork, *The Frontier in American History*, Frederick Jackson Turner noted that in Boston during the 1630s officials laying out the city felt it necessary to offer lowly workers generous plots of land. As Governor Winthrop explained in 1634, the policy was “partly to prevent the neglect of trades.”<sup>8</sup> He knew that if Boston’s workers were not well provided for in town, they would just walk west.

In the early 19th century, when immigration from abroad did not match the movement west, labor was particularly scarce. Some eastern states even faced the prospect of depopulation. “Maine is almost reeling by the depletory effect of constant emigration,” complained Sen. Thomas J. D. Fuller. “Her stalwart sons march away by scores and hundreds to the ‘piny forests’ of the Northwest or to the Pacific shore.”<sup>9</sup>

For this reason, there was strong opposition among eastern interests, especially New England manufacturers, to proposals that the federal government sell off public lands in small parcels, much less at low prices. “The manufacturers want poor people to do the work for small wages,” thundered Senator Benton from the Senate floor. But “these poor people wish to go to the West and get land, to have flocks and herds—to have their own fields, orchards, gardens, and meadows—

their own cribs, barns, and dairies, and to start their children on a theater where they can contend with equal chances for the honors and dignities of the country.<sup>10</sup>

During the Age of Jackson, an alignment between the West and the South with respect to the settlement of the frontier overshadowed eastern interests. Old Hickory, even more than Jefferson, championed the yeoman ideal, calling on Congress in 1832 to “afford to every American citizen of enterprise the opportunity of securing an independent freehold.”<sup>11</sup> Yet the harmony of the Jackson coalition on the use of public lands could only hold so long as politicians could avoid that other great, irrepressible, deeply related, and never fully resolved property issue of American history: slavery.

## SLAVES WITHOUT MASTERS

Among the arguments most frequently employed by John C. Calhoun, George Fitzhugh, and other apologists for slavery was that northern workers, facing ever greater competition in the labor markets, were, or soon would be, worse off than those in bondage. Northern workers were “slaves without masters,” Fitzhugh argued in his notorious book by that title. They were oppressed by capitalists who, unlike slaveholders, had no equity stake in the well-being of their workers. The prospect of men who were supposed to be “wage slaves” prospering instead as yeomen in Missouri, Kansas and elsewhere in what was then “the West” thus undermined the planter class’ view of itself and the world.

White settlers, meanwhile, viewed the prospect of having to compete with African slaves and an expanding plantation system led by decadent aristocrats with horror. Southern “Slave Power,” declared Sen. Thomas Morris of Ohio, was even worse than northern “Bank Power.” Morris vowed to take on not only the banks but also the “goliath of all monopolies,” the slave system.<sup>12</sup> The result of this collision

between slave power and the yeoman ideal was, to say the least, a serious rewrite of the nation’s social contract—one that involved far more than freeing the slaves, and that has deepening relevance today as the modern wage system comes under stress.

The passage of the Homestead Act in 1862 is a prime example of how much the Civil War was about preservation of the yeoman idea. Because of the political opposition from slaveholders, Congress debated the Act but could not pass it for more than a decade. But once the South was seceded the Act’s promise of 160 acres of Western land to any citizen was quickly realized. In practice, as we shall see, the Homestead Act would not live up to its champion’s expectations, but it was an important expression of the nation’s commitment to, in the words of Sen. Samuel Pomeroy of Kansas, “the hearts, the bones, the sinews, of an independent, loyal, free yeomanry, who have the comforts of home, the fear of a God, the love of mankind and the inspiration of a good cause.”<sup>13</sup>

With the South out of the Union, Congress was also able to pass the Morrill Act. It offered all Northern states land grants of at least 90,000 acres, which they could sell to finance the creation of so-called “land grant” colleges, as they came to be known. These were originally agricultural and mechanical schools, designed to further the independence of yeomen. During the inaugural ceremonies for one of the first land grant colleges—the institution that eventually became the University of Illinois—its new president heaped praise upon the leading champion of the bill, Jonathan Baldwin Turner, for having “plowed and plunged and ricocheted through these prairies with an energy and vehemence that no bulwarks of ignorance or apathy could withstand, and which brought nearly every farmer and artisan hurrying to his standard from far and near, and put in motion the imperial columns of our freeborn yeomanry.”<sup>14</sup>

The Civil war was about slavery. It was also about state’s rights. And it was, very much, about whether the average American would be an independent, educated property owner or a servile, ignorant tenant. The passage of the Homestead Act in 1862 reflects this concern for preserving the yeoman ideal.



Also in 1862, Lincoln signed into law a bill establishing the United States Department of Agriculture. Its intent was to serve the nation's yeoman farmers, or as the president approvingly put it, "the largest interest [group] of the nation that...is so independent in its nature as to not have demanded and extorted more from the government."<sup>15</sup>

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## BUSTED IN KANSAS

The Homestead Act, though it was the clearest expression of the yeoman ideal in American politics, turned out to be a disappointment to most who took up its offer. One reason was that the frontier had moved into territories that were so arid—Nebraska, Oklahoma, and the Dakotas—that they could not support small family farms. Meanwhile, land grants to railroads consumed much of the most promising real estate. Speculators gobbled up still more.

For a while some small towns on the prairie flourished, their prosperity fueled mostly by overheated railroad construction and real estate deals. But wheat and corn prices went into a steady decline after peaking in 1881. By 1890, when the Census Bureau pronounced the frontier officially closed, only 372,659 homesteads had been granted under the Homestead Act, and many of their owners were so encumbered by debt that they could hardly be called freeholders. By 1891, fully half the population of Kansas had trudged back east, often with such bitter motes inscribed on their wagons as "In God We Trusted, In Kansas We Busted."

A separate "Southern Homestead Act" passed in 1866 and specifically designed to benefit African Americans, had no chance of success. Like Gen. William Tecumseh Sherman's Special Field Order No. 15, with its promise of "forty acres of tillable ground" to newly freed slaves, it fell victim to white backlash and sectional compromise during Reconstruction and was rescinded. Along with more and more of their white counterparts in the South and elsewhere, black farmers would be tenant farmers and sharecroppers, or slaves without masters.<sup>16</sup>

Meanwhile, in the cities immigrants faced squalor as bad or worse as the conditions they had fled in Europe, even as stockjobbers and monopolists like Jay Gould and Cornelius Vanderbilt amassed vast fortunes. Mark Twain labeled it "the Gilded Age," and remarked of the typical American: "In our day he is always some man's slave for wages, and does that man's work."<sup>17</sup>

Arguably the most famous American of this era after Twain was a journalist-turned-economist named Henry George. He wrote a book, *Progress and Poverty*, which became a runaway best-seller and inspired discussion groups around the country, some of which still exist today. George advocated a tax on land that would compensate the landless for the loss of their birthright. The radicalizing moment for George came in 1871, while riding on horseback to view San Francisco Bay. "I asked a passing teamster, for want of something better to say, what land was worth there," George would later recount. "He pointed to some cows grazing... and said, 'I don't know exactly, but there is a man over there who will sell some land for a thousand dollars an acre.' Like a flash it came over me that there was the reason of advancing poverty with advancing wealth. With the growth of population, land grows in value, and the men who work it must pay more for the privilege."<sup>18</sup>

Academic economists quarreled with George's analysis, but to millions of Americans steeped in the yeoman tradition it seemed to explain everything. Farmers and workers created value, using land and other natural resources that were God's gift to mankind. Landlords, bankers, speculators and monopoly capitalists, by contrast, produced no value. Everything this expanding, rent-seeking class consumed from morning to night—their bonbons, their cigars, their silk top hats—was produced by the hand of labor. Take away that hand and all fortunes would be revealed as worthless, because there would be nothing for the rich to buy.

Many Americans turned to socialism, led by such figures as the union leader and political activist Eugene V. Debs, who ran unsuccessfully for president five times—including once from prison. But the main current of the emerging Populist, Labor, and Progressive movements rejected common ownership of the means of production, instead favoring government action to preserve the yeoman from predatory trusts and banks.

For the prairie Populists of the late 19th century, "free silver" became the obsessive rallying cry. Today, most

educated Americans are familiar with William Jennings Bryan's "Cross of Gold" speech, but it can be hard for us to fathom how ordinary people could get so worked up over a technical question of monetary policy: that is, whether to peg the value of the dollar to gold, or to cheaper, more abundant silver. The answer is debt relief, primarily for yeoman farmers who were losing their way of life. When Bryan exclaimed to the 1896 Democratic Convention, "You shall not crucify mankind upon a cross of gold," he was promising to deliver inflation, or what amounted to the same thing, a devalued currency that would make it easier for heavily indebted yeomen to avoid default and hold on to their assets.

The major currents of the labor movement in this era also reveal the influence of the yeoman tradition. The dominant labor leader, Samuel Gompers, founder of the American Federation of Labor, opposed socialism and preached instead a social gospel that stressed strong family life, self-improvement, and "working class thrift" or what we would today call "asset building." When asked, amidst the economic depression of the early 1890s, what labor wanted, Gompers famously said one word: "More." But more what? More wages and more time off, certainly. But specifically, more economic independence. As Gompers later elaborated: "We tacitly declare that political liberty with[out] economic independence is illusory and deceptive, and that... only...as we gain economic independence can our political liberty become tangible and important."<sup>19</sup>

This is the language of civic republicanism, only now spoken on behalf of a yeoman who is no longer a farmer but a unionized craft tradesman, and who retains his aspirations to own his own home, raise and educate his family, and in these and other ways rise up as a free man in a free republic. The images of the early American labor move-

ment that come down through history are mostly red, that is both bloody and associated with leftist anarchy: the Mollie Maguires up against the Pinkerton; the Wobblies vandalizing box cars with "silent agitator" stickers or Eugene Debs and the Pullman strikers battling federal troops amidst the flames of the torched World Columbian Exposition. But the earliest, and over time, the most politically influential strain of the labor movement rejected socialism, rejected communism, rejected anarchy.

This dominant tradition instead emphasized the need for a "family wage" that would pay a reasonably sober, thrifty man enough to keep his wife and children out of the mills and the mines and preserve their home. The famous labor leader Mary Harris (Mother) Jones is today remembered as a leftist feminist icon, and she certainly was a woman who knew how to raise hell. But she believed so strongly in the yeoman values of hearth and home that she championed what we would today call "wage discrimination" against women and even opposed women's suffrage.

The average working woman is unfitted for the ballot. She will rarely join an organization of the industry she works in. Give her the vote and she'll neglect it. Home training of the child should be her task, and it is the most beautiful of tasks. Solve the industrial problem and the men will earn enough so that women can remain at home and learn it.<sup>20</sup>

In this era, nearly everyone recognized that some women had to work for wages before they married or after they became widows. But the idea that capitalists might be able to employ working-class wives and thereby drive down everyone's wages to the point that children had to work as well was anathema to the progressive labor movement.

Gompers' defense of economic independence utters the language of civic republicanism, only now spoken on behalf of a yeoman who is no longer a farmer but a unionized craft tradesman, and who retains his aspirations to own his own home, raise and educate his family, and rise up as a free man in a free republic.

In the progressive era, one broadly shared priority united populist farmers and urban professionals, Bible thumpers and secular social engineers. It was that government should preserve the promise of American life by using its powers to protect small-scale producers from the predations of monopoly capital—and do so without resorting to any radical socialist schemes that would threaten the yeoman’s ideal of liberty.

## THE OCTOPUS OF MONOPOLY

Like today, the Progressive Era was a time of deep conflicts and confusion over how best to preserve the yeoman tradition under rapidly changing conditions. One hallmark of the age was a very high faith among American elites in science and in “scientific” government. The creation of a civil service, Teddy Roosevelt and other high-minded Progressives believed, would purify politics and professionalize administration. Progressives also believed that bureaucrats at the newly empowered Interstate Commerce Commission could protect small-scale producers from the monopoly power of railroads by scientifically determining with their slide rules the exact right price for transporting, say, a pig, as opposed to a trainload of hams, from Dubuque to Chicago. Eugenics, including the sterilization of “imbeciles” to prevent “race suicide,” was another great Progressive era cause. So was “scientific management” of business, informed by Frederick Taylor’s “time and motion” studies of assembly-line workers, which figures like the jurist Louis Brandeis cited in hammering against the waste and inefficiency of monopolistic enterprises.

Yet it was also an era of deep fear, irrationality, and rejection of science. The writer Henry Adams was appalled by the 40-foot electric dynamos he encountered at the World Columbian Exposition because they made “the planet itself seem...less impressive.”<sup>21</sup> Teddy Roosevelt was deeply troubled by the closing of the American frontier, fretted over the declining fertility of America’s original Puritan stock, and pined for a more heroic way of life than he saw coming under industrialism. Like most of his followers, William Jennings Bryan, a leading Progressive Era figure, rejected Darwin and put literal faith in the Bible.

White racism, meanwhile, deepened across all classes. The Supreme Court, in *Plessy v. Ferguson*, upheld “separate but equal” in 1896. Extrajudicial mob murders, otherwise known as lynchings, exceeded 200 a year and became, for their on-lookers, almost festive communal events. Another kind of blood lust, Imperialism, also ran high, as the country charged into costly and ill-considered wars in Cuba and the Philippines.

Yet despite these contradictions and contrasts, one broadly shared priority united populist farmers and urban professionals, Bible thumpers and secular social engineers. It was that government should preserve the promise of American life by using its powers to protect small-scale producers from the predations of monopoly capital—and do so without resorting to any radical socialist schemes that would threaten the yeoman’s ideal of liberty.

“Which do you want?” Woodrow Wilson asked a campaign audience in 1912:

Do you want to live in a town patronized by some great combination of capitalists who pick it out as a suitable place to plant their industry and draw you into their employment? Or do you want to see your sons and your brothers and your husbands build up business for themselves under the protection of laws which make it impossible for any giant, however big, to crush them and put them out of business?<sup>22</sup>

For Progressives, neither laissez-faire nor the collective ownership of property was the right answer. The state’s proper role was to actively promote small-scale enterprise

The history of the yeoman tradition has many implications for today's blue state–red state divide. The Progressive movement rested on a rare alliance between family farmers, small-town independent proprietors, and urban professionals, who found common cause in resisting the consolidating power of giant corporations. Yet by the 1920s, deep economic and cultural divisions had emerged.

under new industrial conditions. How to achieve this goal—whether by busting all trusts or just “bad trusts,” with federal power or state power, with rule by experts or through direct primaries, short ballots, and trade unionism, or closing the door to immigrants—were hotly contested. But outside the dark paneled offices of Standard Oil, Northern Securities, and the other giant trusts, the goal of self-sufficiency wasn't.

## THE GRAPES OF JAZZ

For most American farmers, the first two decades of the 20th century were comparatively good times, as low-grade inflation pushed up commodity prices and eased debts. The Great War years were particularly prosperous, after Food Administrator Herbert Hoover, trying to boost production to feed hungry allies, set commodity prices sky high. Farm income swelled, and many farmers borrowed heavily to expand their acreage and buy new equipment. But in 1920, the bubble burst.

President Wilson cut price supports and wheat prices declined that year from \$2.50 a bushel to less than \$1; corn fell by 75 percent and stayed low. Meanwhile, small-town grocers, general store owners, druggists, and the other independent proprietors on Main Street, already reeling from the decline of the farm economy, began to face ruinous competition as giant chains like The Great Atlantic & Pacific Tea Company (A&P) and Sears Roebuck and Company expanded out of the cities and across the American heartland. In 1926, Imperial Wizard Hiram Wesley Evans, presiding over a rapidly expanding second Ku Klux Klan movement, bemoaned the economic collapse facing “Nordic” Americans in the

countryside. “Our falling birth rate, the result of all this, is proof our distress. We no longer feel that we can be fair to children we bring into the world unless we can make sure from the start they have capital or education or both.”<sup>23</sup>

This was a key cultural moment in the history of the yeoman tradition, and one that has many implications for today's blue state–red state divide. The Progressive movement rested on a rare alliance between family farmers, small-town independent proprietors, and urban professionals, who found common cause in resisting the consolidating power of giant corporations. Yet by the 1920s, deep economic and cultural divisions had emerged between the increasingly desperate and often reactionary heartland and the increasingly prosperous, libertine, “roaring” major cities.

Urban sophisticates turned away from politics to enjoy jazz parties, bootleg liquor, Sunday golf, and a booming stock market. “It was characteristic of the Jazz age,” F. Scott Fitzgerald would later remember, “that it had no interest in politics at all.”<sup>24</sup> Meanwhile, millions of yeoman farmers driving secondhand Fords across the American heartland were losing their farms and stores, comforted only by the millenarian promise of evangelical Protestantism. By the 1930s, a new American type emerged: the yeoman farmer who, like the Joads in *The Grapes of Wrath*, had become an embittered penniless migrant.

## CONSUMING VISIONS

Even as the Great Depression dragged on, President Franklin D. Roosevelt continued to celebrate the yeoman

ideal. Addressing the Texas Centennial Exposition in 1936, FDR proclaimed:

In our national life, public and private, the very nature of free government demands that there must be a line of defense held by the yeomanry of business and industry and agriculture.... Any elemental policy, economic or political, which tends to eliminate these dependable defenders of democratic institutions, and to concentrate control in the hands of a few small, powerful groups, is directly opposed to the stability of government and to democratic government itself.<sup>25</sup>

Yet from the beginning of his administration, Roosevelt struggled with an opposing value that would eventually come to define the New Deal and liberalism up to this day. Small-scale producers might be dependable defenders of liberty. Yet New Dealers increasingly concluded that what was needed to jump-start the economy was to serve the interest of a newly abstracted type: the consumer. FDR gave an early hint of this shift in 1932, when he said, “I believe we are at the threshold of a fundamental change in popular economic thought.... In the future we are going to think less about the producer and more about the consumer.”<sup>26</sup>

Populists and Progressives had worked to defend the interests of small farmers and businessmen without much concern about what scale of production would offer the “best deal” for shoppers. Writing for the majority in an 1897 opinion against railroad tariffs favoring large-volume shippers, U.S. Supreme Court Justice Rufus Peckham took the typical Progressive view: even when big combinations of capital could permanently deliver lower prices, they should be opposed because they threatened to put “small dealers and worthy men” out of business. If small-scale farming, manufacturing, transport, and retailing had built-in inefficiencies that led to higher prices, so be it. That was the price of liberty, which could only be achieved through adherence to the yeoman ideal of broad, small-scale ownership of productive assets. As Sen. Henry Teller of Colorado observed in 1889, “I do not believe that the great object in life is to make everything cheap.”<sup>27</sup>

But New Deal liberals saw the trade-offs differently. Monopoly was still bad, but mere bigness was not. New Dealers believed that large-scale production in both agriculture and industry, when guided by government and counterbalanced by a strong labor movement, could lead to greater efficiency,

rationalization, standardization, and increased purchasing power for consumers. This would not only benefit individuals struggling to get by during the Great Depression. It would also, under Keynesian theories adopted by the New Deal, benefit the economy as whole, by providing more “effective demand.” Small-scale producers by contrast, not only tended to comparative inefficiency and high prices, they were also, in their diversity, more difficult for government planners to manage or for unions to organize.

So while New Dealers paid respect to small-scale producers, they did little to defend them against big business or even to include them in the expanding welfare state. The architects of Social Security, for example, knew they were up against a yeoman tradition of self-sufficiency and independence. They thus sold the program as a form of insurance, under which people would think they paid for their own benefits and had a property right to them. Yet even as in this way Social Security reflects the yeoman tradition, the original program failed to cover farmers and the self-employed. Increasingly, opposition to the New Deal took a new face: rural and small-town independent proprietors who sensed the new alliance of liberals, big business, big labor, and urban political machines, and who in coming decades would come more and more to resent it.

## CRAB GRASS FRONTIER

Yet if the yeoman lost his farm or his store in the Great Depression, his children were quite likely to gain a tidy suburban bungalow eventually. The yeoman ideal did not die in the 1930s. Instead, it found new expression in the ethic of homeownership, to which politicians across the political spectrum increasingly appealed. In 1931, President Hoover’s Conference on Home Building and Home Ownership concluded that democracy is not possible “where tenants overwhelmingly outnumber homeowners.”

Hoover is not often given credit for it, but in 1932, he signed into law one of the nation’s most effective efforts to promote homeownership, the Federal Home Loan Bank Act, which led to that crucial instrument of modern middle-class American life: the 30-year, self-amortizing mortgage. The act signaled a gigantic commitment on the part of the government to a new kind of homesteading, this time on the “crabgrass frontier” of suburbia.<sup>28</sup>

Under FDR’s presidency, this commitment would deepen dramatically, through such legislation as the Home Owners



In the tradition of the Homestead and Morrill acts of the previous century, the G.I. Bill brought college education to the masses, built the suburban Levittowns, and funded the baby boom—though it could not make yeoman farmers out of returning soldiers and sailors. Consumers were the new heroes on the expanding frontier of mass consumption.

Loan Act of 1933 and the Federal Housing Act of 1934. The National Industrial Recovery Act of 1933 even included a provision for “Subsistence Homestead Communities”—a small, last-gasp, literal effort to restore the yeoman ideal.

Far more realistic and consequential was the Servicemen’s Readjustment Act of 1944, or the G.I. Bill, with its offer of a college education and low-interest, zero-down-payment home loans to returning veterans, including blacks and women. In the tradition of the Homestead and Morrill acts of the previous century, the G.I. Bill brought college education to the masses, built the suburban Levittowns, and funded the baby boom—though it could not make yeoman farmers out of returning soldiers and sailors. Most of its beneficiaries would wind up working for giant, hierarchical corporations during the 1950s and 1960s. Postwar suburbia would boast few backyard chicken coops, fruit trees, or even vegetable gardens. Still, the G.I. Bill put a lot of husbands behind lawn mowers on the weekends, and gave them a settler’s stake in their new communities.

## YEOMAN TO YUPPIE

There have always been two essential types among America’s yeomanry. One is the striving strain—materialistic, acquisitive, and set on rising in the world. This type included the

entrepreneurial farmer on the frontier who behaved more like a real estate developer, rapidly clearing his acreage only to sell up and move on. It also included the sort of individual Woodrow Wilson approvingly referred to as “the man on the make”—who would prove his entrepreneurial prowess if only the government would give him the opportunity to do so by breaking up the trusts.

In contrast, there is what might be called the spiritual strain, made up of individuals who deny themselves opportunities to enjoy a rising material standard of living in order to cling stubbornly to their independence. Among this type were the mountain men of West Virginia and Tennessee, who in the 1920s could have easily found jobs on Detroit’s assembly lines, but who stayed put in their cabins, determined to maintain their traditional way of life. There were the small-town storeowners, who could have gained economic security by going to work at the new A&P, but who held on, preferring to be their own boss. And there were innumerable craftsmen and artisans—furniture makers, boat builders, jewelers—who took deep pride in their work and persevered, even as the rise of industrial production insured that they would never get rich and would quite likely go broke.

By the 1950s both types seemed to be on the verge of extinction. President Eisenhower would give a nod to the importance of entrepreneurialism by calling for the creation of the Small Business Administration in 1953. By then, however, it seemed as if the triumvirate of big business, big labor, and big government would rule the future. No longer did opinion leaders see a strong American yeomanry as essential to either liberty or prosperity. Accordingly, talk of “yeomanry” simply slipped out of the American political vocabulary. FDR was the last president to evoke the term.<sup>29</sup>

In the postwar vision, individual freedom, such as it might be, would be maintained instead by what the economist John Kenneth Galbraith characterized as a system of “countervailing power” in which giant institutions—unions, corporations, the mass media, government—held each other in check. Economic growth would not depend on entrepreneurial energy from below but would derive from macro forces: stimulative fiscal and monetary policies, government and corporate investment in research and development, mass media advertising, and “planned obsolescence” to pump up aggregate demand.<sup>30</sup>

If Bill Gates started out as the sort of yeoman who would have stirred Woodrow Wilson's heart, he soon enough became a monopolist. This, in short compass, defines the central economic dilemma of today's America: how to once again to preserve the yeoman's interest in an era rising inequality and vast concentrations of capital.

During the brief recession of 1958, President Eisenhower twice went before the American people to tell them that it was their patriotic duty to save less and "Buy Now." Advertisers quickly seized on the presidential directive, producing such slogans as "Buy Now: The job you save may be your own."<sup>31</sup> Consumers were the new heroes on the expanding frontier of mass consumption. If they lacked freedom and independence, they could at least console themselves with their bungalows and patios, and with more stuff bought on store credit than their parents had ever dreamed of owning.

Yet still, the yeoman ideal would not die. Many baby boomers, as they reflect back on the arc of their lives, may see

in their experience various key reconnections to the yeoman tradition. Those who, for example, beginning in the 1960s and 70s, rejected the colossal institutions of post-war American life, proclaimed "Small Is Beautiful" and yearned to dedicate their lives to such "countercultural" pursuits as organic farming, handcraft production, or the running of small bookstores, are direct descendents of the spiritual strain of American yeomanry.

So are those who may be hostile to the counterculture movement, but who have willfully sacrificed wage income in order to enjoy the independence of being small-scale contractors, hobby shop owners, owner-operator truckers, or part-time ranchers. For the spiritual yeoman, meaning derives not just from the nature of the work itself, but also from the opportunity to make a living, no matter how modest, in tight-knit small towns or places of great natural beauty where wage jobs are few.

Other boomers may recognize more of themselves in the striving strain of American yeomanry. By the late 1970s, the ruling coalition of big business, big labor, and big government that had prevailed since the late New Deal had hit a wall, producing high unemployment and stagflation. Into the economic void came the high-tech start-ups—companies founded as often as not by college dropouts in their parents' garages and funded by credit cards—whose "creative destruction" pushed the American economy out of its lethargy. Yet if Bill Gates started out as a classic striving "man on the make," the sort of yeoman who would have stirred Woodrow Wilson's heart, he soon enough became a monopolist. This, in short compass, defines the central economic dilemma of today's America: how to once again to preserve the yeoman's interest in an era rising inequality and vast concentrations of capital.

The grand bargain struck in the postwar era, which allowed even automobile assembly-line workers to own their own homes, send their kids to college, and look forward to comfortable retirement, is now a dead letter. Many contingent workers become not only slaves without masters, but also slaves without health care benefits or pensions. The cost of obtaining credentials, such as a college degree, is escalating, while the rewards in economic security are diminishing.

## THE NEW YEOMANRY

We now live in a world in which for increasing numbers of Americans there are few alternatives to some form of yeomanry. The grand bargain struck between industrial labor and large manufacturers in the postwar era, which allowed even automobile assembly-line workers to own their own homes, send their kids to college, and look forward to comfortable retirement, is now a dead letter. Similarly, the option of becoming an “organization man,” securely entrenched in a rule-bound corporate bureaucracy, is rapidly disappearing.

Between 1983 and 2006, median job tenure (time in one job) declined by 38 percent among men aged 35 to 44 and by 37 percent among men aged 45 to 54. When displaced workers find new jobs, they often take a sharp drop in pay, a phenomenon that during the last recession (2001–03) was most pronounced for highly educated individuals, whose typical earnings loss was about 21 percent.<sup>32</sup>

Global competition, which increasingly affects white-collar as well as blue-collar workers, is partly to blame for the declining economic power of employees. So are automation and an aging workforce, in which there are fewer and fewer workers to support the “legacy cost” of each retiree, and in which older workers face increasing age discrimination due to the soaring cost of their employer-provided health care. Taken together, these and other trends have increased the power of large holders of capital and caused a rewriting of the social contract.

Its new terms are roughly these. The corporation is answerable only to its stockholders. Attempts to strengthen unions, limit outsourcing, or control immigration meet strong corporate resistance. Many contingent workers, meanwhile, become not only slaves without masters, but also slaves without health care benefits or pensions. Under this contract, too, the cost of obtaining credentials, such as a college degree, is escalating, while the rewards in economic security are diminishing. Between 2000 and 2005, tuition and fees at four-year private colleges increased by 25 percent and at four-year public colleges by 46 percent.<sup>33</sup> Yet during the same period, men with college degrees, according to the U.S. Census Bureau, saw a 7 percent drop in their real median income. By 2005, men with professional degrees earned 2.6 percent less as a group (adjusted for inflation) than they did in the recession year of 1992—and this despite the baby boom

The return of yeomanry is a triumph for those who have the ambition, capital, smarts, and good luck to realize its many opportunities.

generation aging into positions of seniority. The earnings trends for educated women look better when compared to their mothers, but only because more women have gravitated to traditionally male fields.<sup>34</sup>

Given these trends, there are, for many, dwindling alternatives to some form of yeomanry. The downsized executive becomes a “consultant,” the overstressed mother becomes a “mompreneur,” the unemployed journalist a “blogger.” According to the Small Business Administration, the ranks of the full-time self-employed rose 12.8 percent between 2000 and 2004.<sup>35</sup> And according to the latest available IRS data, in 2002 there were 18,925,517 non-farm sole proprietorships, a 111 percent increase since 1980.<sup>36</sup>

Many of the new yeomen/women are remarkably successful. Between 1995 and 2004, the family net worth of salaried workers barely moved, from a median of \$60,300 to \$67,200 (in 2004 dollars). Meanwhile, the median family net worth of the self-employed jumped from \$191,800 to \$335,600.<sup>37</sup> No wonder then that some 70 percent of today’s teenagers aspire to own their own business, compared to only 25 percent who aspire to work for a large company.<sup>38</sup> The return of yeomanry is a triumph for those who have the ambition, capital, smarts, and good luck to realize its many opportunities.

Yet yeomanry also means taking risks that more often than not do not work out. Every year, about a half million small firms go under.<sup>39</sup> The yeoman’s high exposure to risk predictably can lead to deep political resentments and populist outbursts. Yeomen are often griping characters, especially when down on their luck, deeply suspicious of unseen forces. Precisely because they do not work in institutions, they tend to be prickly about their social status, and about their relationship to government.



For example, though often highly dependent on public spending for suburban and rural roads, schools, Social Security, water projects, crop subsidies, state universities, securities regulation, and the like, the yeoman, whether a farmer or a striving dot-com entrepreneur, is likely to deny his dependence. What he lacks, he likely thinks someone took from him, whether it is monopolies like Microsoft and ConAgra, or activist judges, pointy-headed bureaucrats, or welfare cheats.

Since yeomen are likely to stay close to home, whether they are small storeowners in Topeka or freelance computer programmers in Seattle, it also matters a lot to them to have like-minded neighbors. This can have a negative effect when it comes to accepting true diversity of opinion and values.

The new yeomen also tend to have a streak of anti-intellectualism—or at least a distrust of experts. Many who are religious take a dim view of credentialed professionals ensconced in large institutions who variously contradict their belief in creationism, in the humanity of an embryo, or in the constitutionality of school prayer. Similarly, there are many organic farmers and progressive entrepreneurs who place no particular faith in God, but who will not stand still to hear experts contradict their fears of genetically modified food, nuclear power, and overpopulation. The yeoman is happy to have experts agree with him, but undeterred when they do not. Instead, the yeoman is ultimately persuaded by faith in his (or her) independent “common sense.”

The yeoman is therefore not an easy individual to lead, which no doubts explains his historical association with personal freedom and limited government. Those who yearn for a return to the New Deal, or who have dreams of a socialist workers’ paradise, may well wish that the American yeoman had not escaped extinction.

Yet what if we looked at today’s expanding ranks of yeomen as Thomas Jefferson would? Remember his insight that the opportunities open to the yeomen of his time were vital to the interests of urban wageworkers. So long as the frontier remained open, employers had to contend with the fact that their workers always had the option “to quit their trades and go to laboring the earth.” The same is figuratively true today. The more opportunities today’s Americans have to flourish (or even just to subsist) by engaging in modern forms of yeomanry, the more pressure that puts on employers to treat wageworkers well; for else they, too, will just go laboring, if not the earth, then the new frontiers of cyberspace.

Even spiritual yeoman who cling to their antiquated and seemingly inefficient crafts for the sheer joy of it—farriers, glassblowers, potters, as well as poets, playwrights, street performers, antique dealers, breeders, vintners, quilters, hardwood artisans, printmakers, and community fest promoters—all play an important, and often overlooked role in benefiting the larger economy, despite their apparent low efficiency. By withholding their labor from the wage system, they thereby force employers to treat their remaining workers just that much better.

## COMMON SENSE

If we accept the social value of America’s reemerging yeomanry, what public policies would best encourage and protect its members? Sound public schools, are of course, essential to modern yeomanry. Yet upon gaining maturity, what the yeoman needs most of all is a stakehold if he or she is to get going. Thomas Paine, who once proposed endowing every citizen at age 21 with a seed fund, explained the idea’s advantages to both individuals and society:

When a young couple begin the world, the difference is exceedingly great whether they begin with nothing or with fifteen pounds apiece. With this aid they could buy a cow, and implements to cultivate a few acres of land; and instead of becoming burdens upon society, which is always the case where children are produced faster than they can be fed, would be put in the way of becoming useful and profitable citizens.<sup>40</sup>

Today’s advocates of “baby bonds” and government contributions to children’s savings accounts offer a modern-day version of Paine’s proposal and can offer the same justification. So can those who call for greater control on credit card companies marketing to college students, or for reform of predatory student loan practices. The difference is indeed exceedingly great whether a couple start out in life with nothing, (or worse yet already in debt) or have enough savings to hold out for or to capitalize on whatever their best opportunities in early adulthood may prove to be. African Americans, whose ancestors never got their “40 acres and a mule,” are today particularly likely to lack the stakehold necessary to take entrepreneurial risks, as are tens of millions of other Americans who are descended from families that have always lived hand to mouth.

De-linking access to health care from wage employment is another powerful means of strengthening the position of

both yeomen and wage earners. Especially for those who are middle-aged, the greatest obstacle to entrepreneurialism, and the greatest source of wage slavery, is the lack of affordable individual health care. (For those who advocate universal health care on other grounds, the plight of entrepreneurs under our current, employer-based system of health care is a powerful and too often neglected argument that can short-circuit objections to “socialized medicine.” Universal health care will promote free enterprise.)

Reforming our pension system is also key. Millions of workers today toil in wage slavery only because quitting their jobs would mean losing their employer-controlled pensions. Millions more toil because they lacked, or missed the opportunity, to build up savings in 401(k) plans and similar financial vehicles. The difference is exceedingly great, too, whether a couple approach late middle age with no savings or with enough in the bank to start a new business or accept more meaningful but lower paying work in education, philanthropy, or the arts.

In this age of giant international corporations and agribusinesses, of global supply chains and secretive hedge funds, there is also, as in the Progressive Era, a role for much stronger government regulation of big business. This includes not only more rigorous prosecution of monopolies. Competition policy should also consider the interests of “small dealers and worthy men” on a wide range of issues—farm policy, land use for “big box” stores, allocation of broad band spectrum—even if that involves what at first seems like countenancing willful inefficiency.

Established broadcasters, for example, may be able to make efficient use to their spectrum rights in rolling out high-definition television and cell-phone networks. Yet the lack of “open access” to these networks is a direct threat to the Internet’s yeomanry—including not only small-scale providers of communications services, but to everyone trying to

run a small business with a faulty cell phone and overpriced wireless Internet connection.<sup>41</sup>

Similarly, a new Wal-Mart may at first offer nominally cheaper prices to consumers, but at an unacceptable long-term cost, including decaying downtowns and increased pressure on suppliers to cut wages and cut corners. Wal-Mart, for now, is highly efficient, and not a monopoly. It is, however, like many other global corporations, what economists call a “monopsony,” due to its ability to dictate price to its suppliers. As New America fellow Berry Lynn explains, “the ultimate danger of monopsony is that it deprives the firms that actually manufacture products from obtaining an adequate return on their investment.... over time, it tends to destroy the machines and skills on which we all rely.”<sup>42</sup>

Food production is another area in which low prices should not be the only standard. Deeply subsidized agribusiness produces an American diet that is cheap in price, but expensive in cost, not only to consumer’s health, but to the environment. Junk food is not an inevitable market outcome. In New York State, the number of small farms, after falling for generations, rose 4.3 percent between January 2005 and June 2007, a trend driven by rising consumer demand for locally produced, organic food; the number of farmers markets in the state jumped from 240 in 2000 to 350 in 2006.<sup>43</sup> According to the latest available national statistics, while the total number of farms in the United States declined by 86,894 between 1997 and 2002, the number of small farms (10–49 acres) shot up by 32,870.<sup>44</sup> Despite gigantic forces stacked against him, even the yeoman farmer is making a comeback.

Encouraging this developing trend, by reducing subsidies to agribusiness, for example, would result in higher food prices, to be sure. But it would also promote both the biological and the political health of the population, thereby mak-

As more and more of the economy evolves toward similar networks of small-scale, often home-based producers, the question becomes how to adjust the social contract so that the new yeomen get the seed money, health care, pensions, and infrastructure they need.

The benefits of yeomanry extend to such intangibles as the promotion of civic culture, wholesome, sustainable production, and a check on the rapacious practices of big business in collusion with big government.

ing the real cost of food lower. As Jefferson would remind us, the benefits of yeomanry extend to such intangibles as the promotion of civic culture, wholesome, sustainable production, and a check on the rapacious practices of big business in collusion with big government.

It also should be remembered that consolidation is often inherently inefficient in many realms, especially those involving creativity. As long ago as the 1940s, Hollywood, prodded by antitrust suits, discovered that the hierarchal studio system was inferior to a model in which free agency played a much larger role.<sup>45</sup> Similarly, in the computing industry, the tendency is away from the button-downed, monopolistic IBM of the 1960s toward production based on collaborative networks of free agents, many of whom literally work at home in their pajamas.<sup>46</sup> As more and more of the economy evolves toward similar networks of small-scale, often home-based producers, the question becomes how to adjust the social contract so that the new yeomen get the seed money, health care, pensions, and infrastructure they need.

Encouraging local, small-scale production, whether in agriculture, manufacturing, or services also promises to produce many other benefits we are prone to overlook. These include less pollution and anomie caused by excessive auto commuting, more chances for women and minorities to escape prejudice in the workplace through self-employment; more opportunities to harmonize paid work with caring for children or aging parents; and a greater ability to adjust one's work efforts over time to accommodate one's own aging and changing interests.

Finally, because of the long hold and widespread appeal of the yeoman ideal on the American political imagination, a politics that pays honor to this tradition has the potential to bridge the country's cultural divides, just as occurred during the last Progressive Era. The yeoman's association with liberty, family, and patriotism may ring loudest with heartland conservatives; his distrust of large institutions and engagement in small-scale, sustainable production may resonate most with today's urban professionals. Yet his true appeal, as always, is in being beyond Left and Right. The yeoman is committed to free enterprise, but adamant that government provide grants of free soil, public education or (coming soon, let's hope) health care; in favor of regulating big business to prevent monopoly and enforce product safety, but also a furious defender of the rights and privileges of small-scale ownership. If American "exceptionalism" has a face, it belongs to the yeoman.

Celebration of the yeoman ideal can also help us feel connected to a distinctively American past even as we face withering economic and social changes that challenge our identity as Americans. The yeoman, even when beat down and betrayed by banks, middlemen, politicians, thin soil, or a bad Internet connection, has a dignity and independence of mind nearly all Americans want to, and should, recognize in themselves.

A politics that pays honor to the yeoman tradition has the potential to bridge the country's cultural divides, just as occurred during the last Progressive Era.

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