

BOOK REVIEW

RE-READING ECONOMICS IN LITERATURE: A CAPITALIST CRITICAL PERSPECTIVE

MATT SPIVEY

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Matt Spivey asks an important question. Literary critics often use economics to interpret the texts they consider, but often they have mistaken ideas about economics. They oppose the free market and are frequently Marxists. Spivey, an English professor at Arizona Christian University who specializes in American literature, asks, why not instead use correct economics instead? And by “correct” economics, he means Austrian economics. In carrying out his project, Spivey continues the pioneering work of Paul Cantor and Stephen Cox, eds., *Literature and the Economics of Liberty*, and it comes as no surprise that Cantor calls Spivey’s book “a welcome breath of fresh air in its field.”¹

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¹ See my review of Cantor and Cox at <https://mises.org/library/literature-and-economics-liberty-spontaneous-order-culture-paul-cantor-and-stephen-cox>.



Spivey has set himself a hard task, in that four of the five books he discusses are written from perspectives opposed to the free market, and he often has to show how insights in the books undermine themes the authors suggest. The first book he considers, though, the *Narrative of Frederick Douglass* ([1845] 2014) was written by a committed supporter of individual enterprise. “He was against collectivist economic systems and viewed any attempt at eradicating or revolutionizing the fundamentals of capitalism as completely unrealistic... he knew America was different from anywhere else in the world for its singular freedom.” (p. 39)

Austrian economists stress the entrepreneurial aspect of human action. Individuals must seize chances of gain through their appraisal of their situation, and here Douglass was a master and not a slave. Douglas constantly sought to increase his knowledge and skills. He did not allow his starting point in slavery to get the better of him. “Douglass, though enduring a horrific existence of enslavement, remains an acting individual whose life choices, though severely limited due to his abhorrent circumstances, are still varied and available.” (p. 37) Spivey calls Douglass’s enterprising efforts an attempt to build up his “human capital,” and though this, as Peter Klein (2014) explains, is a term Austrian economists prefer to avoid, one can see what Spivey means.

Spivey draws a brilliant analogy between Austrian business cycle theory and Jay Gatsby’s courtship of Daisy Buchanan in F. Scott Fitzgerald’s *The Great Gatsby* ([1925] 2020). According to the Austrian account, the cycle begins with an expansion of bank credit, driving the money rate of interest below the natural rate, determined by time preference. This leads to malinvestments that cannot be sustained. The depression that follows purges these mistakes from the economy. In like fashion, Gatsby tried to impress Daisy through his lavish parties, paid for by forged bonds acquired through crime:

But it is Gatsby’s business connections that serve the defining role of illicit money in the novel, whereby we gather by several clues... that Gatsby has made at least some of his vast fortune peddling forged or illegitimate bonds. The model fits with the real real-world economic function of bonds, as the government has always been a primary promoter of bonds issues.” (p. 56)

Though at first impressed with Gatsby's ill-gotten wealth, Daisy in the end rejects him, and Spivey compares her rejection to the collapse of unsustainable investments.

Defenders of the free market might be expected to find John Steinbeck's *The Grapes of Wrath* ([1939] 2006) a challenge to their beliefs. Capitalism may benefit many people, but weren't the Okies, driven from their farms during the 1930s, an exception? Spivey proves equal to the challenge. To a large extent, the Okies's problems stemmed from government intervention. Spivey makes effective use of Murray Rothbard's demonstration that Herbert Hoover was a fervent interventionist, and his ill-advised farm policies, continued by Franklin Roosevelt, led the Okies and others to disaster. The Joads, the main Okie family in Steinbeck's novel,

are not victims of greedy corporate financiers; rather they are pawns in the struggle between authority and autonomy. The government wants power to organize its citizenry; businesses want the independence to trade goods and services as they see fit for the success of their industry. The Joads and the millions like them are—unfortunately and incorrectly—left pointing fingers at enemies they can see instead of the ones they can't. (p. 77)

Spivey also challenges the picture of black life in 1940s Chicago which Richard Wright ([1940] 2005) offers in *Native Son*. Wright, a member of the Communist Party when he wrote his novel, portrays Bigger Thomas, the protagonist, as doomed to destruction owing to capitalist exploitation and racism. Spivey disagrees. He quotes Mises: "The environment determines the situation but not the response. To the same situation different modes of reacting are thinkable and feasible. Which one the actors choose depends on their individuality." (p. 96) Applying Mises's point to Bigger, Spivey says,

How do we view Bigger when we can see that charges of racism in housing, business, employment, and other elements of [the] community are often inaccurate matters of perception and should rather be viewed as logical consequences of human interaction? How much should we sympathize with Bigger if we can see that difficulties were not unique to blacks alone, but also existed for whites with a similar cultural background, and that success was not unique to whites alone, but also existed for many blacks? These queries offer an interpretation of Bigger Thomas that reduces social sympathy and emphasizes personal responsibility. (p. 96)

Critics of the free market have a vast array of complaints against it, and in Kurt Vonnegut's *Player Piano* ([1952] 2006), the field of battle turns to automation. Writing in 1952, Vonnegut feared that new technology would destroy jobs and impoverish large numbers of people. Spivey once more brings to bear the conclusions of sound economics. Mises

explains that technological improvements are not designed and implemented as a means to reduce labor, but rather to increase production. If there were no potential for production efficiency, then technology would not be adopted.... With more supply at hand, more consumption and, ultimately, more leisure time are possible, in turn opening up new kinds of demand, new kinds of production, and new kinds of employment.... Understanding this relationship, Mises writes, "explodes all talk about 'technological unemployment.'" (pp. 105–06)

Spivey says that Vonnegut's emphasis on the level of employment is misplaced. "The goal of an individual business, on a micro-economic level, or of a national economy, on a macro scale, is not to create jobs. The goal of all economic endeavors is [to] create wealth, that is, subjective value, for all involved---owners, employees, consumers, investors, and anyone else directly or indirectly affiliated. Jobs are not ends." (p. 106)

An objection may have occurred to some readers. Is Spivey using the novels just as props that permit him to present correct economic analysis? Not at all. As suggested earlier, he uses the novels themselves to elicit points that, often against the authors' intentions, bring out themes valuable from an Austrian point of view. Although Vonnegut, for example, is a bitter critic of the effects of automation, Bud Calhoun, a character in *Player Piano*,

acknowledges that one of his creations is an improvement over his own human labor. "Does [the job] a whole lot better than Ah did it."... Ultimately, it must be admitted that "machines were doing America's work far better than American ever done it. There were better goods for more people at less cost, and who could deny that that was magnificent and gratifying?" (p. 108)

Spivey has overturned a type of literary criticism dominated by Marxism, and that is a magnificent achievement.

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