
5. Capitalism and Its Critics

Liberation or Imperialism?

Yuma (Arizona) Sun, March 29, 2003

One side says, “It’s liberation”; the other says, “Its imperialism.” Well, couldn’t it be both?

During the heyday of the Soviet Union, its armies were always going about liberating places and people. When Nicaragua was run by a tyrannical regime taking its orders from the USSR, back in the 1980s, its leaders spoke incessantly about liberating the people there, even when this involved forcibly imposing on them countless measures they resisted.

Even in ordinary human relationships, say, between friends, it is often thought that imposing certain strictures on someone frees the person, really, so that all complaints are misplaced. Just think of the policy of intervention recommended to the friends and families of drug abusers! You coerce to set free! Or so the story is told, and when it comes to the war in Iraq, this can cause confusion for people.

Although in a given context the term “freedom” or “liberty” can be clear enough, there are several definitions of it that actually conflict. In one sense, for example, the intervention by friends of a drug abuser amounts to depriving the latter of liberty. That is the sense of “liberty” meaning acting on one’s own judgment, following one’s own choices, determining one’s own actions whatever they may be. Those doing the intervention are depriving someone of liberty, of his or her freedom. But if one focuses on the goal of the

intervention, well, the story changes because forcing someone to stop abusing drugs can free that person to do many far better things.

And if one thinks that millions of people are like the drug abuser, carrying out a way of life that hinders true progress, true flourishing, then perhaps one believes, also, that they need the kind of liberation that will enable them to do what they should, what will benefit them. That is just how the Soviets saw it when they “liberated” the Czechs, Hungarians, and all the rest by invading their countries and occupying and nearly micromanaging them. They were freeing the people of their ignorant way of life. The same goes for the leaders of Nicaragua.

So, then, what is one to think about the liberation of Iraq? It’s a mixed bag, that one.

On the one hand, the rhetoric is about the freedom that involves getting rid of other people trying to run one’s life. This is what George Bush is saying when he refers to how after the war the people of Iraq will be free. The United States will have liberated them from the clutches of Saddam Hussein. On the other hand, though, many think the United States wants to control Iraq, run it to conform to its own priorities (such as the production of cheap oil), in which case the liberation is akin to the sort the Soviets perfected. Many Americans, such as entertainer Bill Maher, even believe that people in Iraq just aren’t up to running their own lives, that they’re incapable of democratic self-government. Their culture hasn’t prepared them for this; their religion is too much of a yoke around their necks. Thus, maybe unintentionally, these Americans support interventionist liberation and support those who think Iraqis need Americans and Brits teaching them proper politics.

It is important to know which sort of liberation is in fact

Capitalism and Its Critics

125

going on in Iraq. And that's not easy to do when a policy is as controversial as this one is, since those doing the arguing load their terms and do not always let us in on just what they mean by them. Those opposed to U.S. policy in Iraq have a stake in characterizing it as interventionist liberation, those for it have the opposite stake. And some obfuscate matters unintentionally.

We are left with the task of scrutinizing not just their terms but, often, their motives, which are awfully difficult to know for sure.

On “Giving Back to the Community”

Orange County (California) Register, September 10, 2001

It has become increasingly popular for people in the business community to speak of “giving back to society” in the form of philanthropy. Bill Gates made use of the phrase when he came out against abolishing the death tax, but many other examples could be cited.

What is wrong with this idea anyway, if anything at all?

To begin with, when those in business make a profit, they aren't taking anything from society, so they don't need to give back a part of it. Yes, it is generous of them to support different causes with their wealth. Yes, it is often honorable to give to charities and other worthy causes.

But it is wrong to construe these gifts as “giving back.” For when one makes a profit, one does so through a mutually beneficial exchange. One is not stealing something that needs to be returned.

Trade involves both parties giving up something to gain something else. One buys a pair of shoes, parting with money and gaining the shoes, while the shoe store parts with the shoes to gain the money. Both parties see this as being to their benefit; both see themselves as having gained in the exchange.

There are, of course, exceptions, as when trade occurs from thoughtless impulse or other kinds of imprudence. But even in such a situation the parties believe, for the moment at least, that they are benefiting, and it would be

folly to interfere, thereby treating them as children rather than adults. Their mistakes will provide a good lesson, and perhaps next time more thought will enter into the exchange.

By propagating the idea that companies need to give back to the community, the idea is spread that the way they make money is somehow illegitimate, morally dubious, even underhanded. Is it really true that when Bill Gates makes his billions from selling his wares, he is ripping us off and, to do the right thing, must return some of his wealth? No. We have already gotten something back, right then when the sale was made. We provided the money for which we got the wares or services that we wanted, and the merchant got the price for these.

Sure, it is often valuable for companies or individuals to act charitably, generously, kindly, especially toward those in more, or less temporary, dire straits. And in some parts of the world, even here at home, there are people who are in pretty bad economic shape and can use the help that the well-to-do and successful are willing to provide. (More often than not, this is because free trade has been stymied there from time immemorial.)

But none of this is properly classified as giving something back, since nothing has been taken, at least when commerce is honest. But by making use of the language of "giving something back," it is suggested that the original means of getting the income and wealth wasn't, after all, quite up to snuff.

Are we then to take it that all those people in business who make use of this phrase have actually stolen things from the members of the community to whom they seem to feel they must give something back? If so, they ought to change their way of doing business and not get to the point where

they need to return things to the community. If someone robs me and later comes to me to return some of what was taken, I have still been robbed. Indeed, I might have made very good use of the stolen stuff back when it was stolen. It is no good to give “something” back—all of it should be given back if that is how the wealth was obtained, plus some penalty for the original crime.

But in fact all the talk about giving something back is very likely a public relations ploy, meant to appease those who are basically suspicious of trade. Alternatively, it may be a way to try to make this awful capitalist phenomenon, making a profit, appear more acceptable to those hostile to the system.

Such PR stuff, however, does not accomplish the desired goal but simply reinforces the belief that, after all is said and done, business is bad; it’s a way of ripping people off, and the “giving something back” ploy is meant mainly to obscure matters.

Unfortunately, even those who are very good at doing business—serve their customers well, run a good shop, pay employees handsomely—often think they aren’t ethical, only clever or shrewd. This is partly because in much of our culture, the reputation of commerce is very bad. Business is often besmirched from both the Right and the Left. Many on the Right would have us believe that business distracts us from more important, spiritual things, while those on the Left think business prevents the realization of a fair and equal social order.

In such an ethical atmosphere, it is probably understandable that people in business are twisting and turning to make themselves look good, even if it involves distorting the nature of the perfectly valuable, honorable work they do. To remedy matters, both those who do business and

Capitalism and Its Critics**129**

those who attempt to understand it need to realize that trade that is freely entered into, voluntary exchange, is a decent way for people who do not know each other personally to relate fruitfully to one another.

Why Islamists Detest America

Yuma (Arizona) Sun, April 19, 2003

Over the last several months, there's been a lot of consternation about why so many Muslims detest America. Why do they find the system of political economy associated with the United States so objectionable?

Put bluntly, their charge that America's culture is "materialistic" is largely true, if by this they mean that people in America pay a good deal of attention to how well they can live, how much joy life can bring them—including when they go shopping.

Not that Americans do not believe in God or don't embrace some religious faith, but they do not do so with the utter and blind devotion that leaders of the Islamic faith demand of Muslims. For most of these leaders, the only government that is legitimate is one that forces its citizens to adhere fully to the Koran as the leaders interpret it. Nothing else will do, and when America associates politically or economically with countries where this goes on or where Muslim leaders want it to go on, the leaders believe the association corrupts society, leads Muslims astray from the Koran, which for them is a disaster. So these leaders hate the country from which such influences emanate.

America, in contrast, rests on a classical liberal political tradition in which tolerance reigns supreme as a principle of human relationships. John Locke, the grandfather of the American system of government, was also preoccupied with

figuring out how the government and church should be related. From his and some others' reflections, the American founders took away a liberal theory of government, one that opposes any union of church and state, especially in federal but now also in state government. This liberal theory has allowed a great many religious denominations to flourish in the United States—one needs only to look at all the different churches in one's own neighborhood to appreciate this.

Yet, Americans, in the main, confine their religion to Sundays or the Sabbath and during the rest of the week, they go about their personal and professional lives pretty much with little concern for how these activities square with their faith. Just compare the amount of public prayer Muslims practice to that of Americans!

Moreover, Christianity has by now made relative peace with commerce and the "materialism"—I'd prefer calling it "naturalism"—that Muslim leaders find so detestable. Christians see human beings as having a divided self, composed of spirit and of matter (soul and body), with both due some measure of care in one's life. The two sides do not always interact happily, of course, but that hasn't led to any great changes in American or other Western cultures.

Yes, commerce is often derided by writers, priests, ministers, intellectuals, and the rest, but this is recognized as somewhat paradoxical if not altogether inconsistent—after all, most of those doing the deriding are quite happy with the measure of material well-being they have managed to achieve, and few, if any, have taken any serious vows of poverty.

Finally, it is undeniable that a vigorous commercial culture is directed to living well here on earth rather than to preparing for everlasting salvation. We may not be able to

take it with us, but we do like it a lot—material wealth—while we are dwelling here on Earth. And that probably does distract many of us from focusing on what religious leaders consider our spiritual needs and obligations.

The question is whether the Muslim leaders are right: is this freedom we enjoy in America and the West good for us all, or are we becoming decadent, shallow, and faithless as we enjoy our lives here on Earth? Unless we deal with this question, we will always be vulnerable to the harangue of Muslim leaders (as well as others) and will be detested by many Muslim faithful across the globe. And some of this detestation will be deadly at times.

But then perhaps that is to be expected when one holds up as an ideal a life in which men and women are free to choose to do not only what is right but also what is wrong. Perhaps we ought to be more confident and firm in our belief that this is how human beings ought to live. We ought also to stand up firmly in support of the system of politics and law that vigorously protects such a way of life. We should not hesitate to resist the aggression of those who find this so contemptible. They, after all, are mistaken in attempting to enforce by law the good life they demand of their faithful—simply no good can come from enforced goodness.

Indeed, if it is such a good life, why do they need all these laws to make people follow its principles?

Business Ethics Distortions

Yuma (Arizona) Sun, September 14, 2002

On September 9 the *Wall Street Journal* ran a sidebar titled “To Recruiters, Virtue Is No Virtue.” It reported that people who recruit for businesses do not really care whether students take courses in business ethics. “Virtue isn’t high on the list of qualities corporate recruiters seek in students.” This is what was supposed to be revealed in a *Wall Street Journal*–Harris Interactive survey.

However, both the survey and the report are quite unreliable. It turns out that rather than asking about business ethics, the survey asks about “corporate citizenship.” No wonder most who were interviewed seemed skeptical about the relevance of “ethics” to business education—the concept of “corporate citizenship” isn’t the same as ethics and so is misguided and misleading.

If one asks an educator whether ethics has anything to do with preparing educators for their profession, the answer will naturally be, “Yes, sure, of course it does, just as ethics has to do with preparing for and practicing any decent, bona fide profession.” But if you ask whether education has anything to do with school or university citizenship, educators could well be baffled. Does that relate to whether educators ought to follow the law? Or be involved in politics? Does it mean one must be a good citizen of one’s country to be a good educator, regardless of what the laws are or of what politics are involved? What is meant, anyway, by such a

loaded term as “corporate citizenship”? Business ethics is not about corporate citizenship, not if we consider the terms. Business is about guiding enterprises toward profitability, and ethics is about doing this conscientiously, decently, guided by sound ethical concepts.

People in business take an oath of office, as it were, when they go to work in their profession, and this commits them to being conscientious wealth-producers. In corporations, they sign up to care for the company’s economic welfare, to make it prosper and fulfill its promise to produce conscientiously whatever it is that earns its revenue. That is where business ethics originates, from that promise, just as medical ethics comes from the doctor’s promise to heal. Not that the ethics of human life in general does not apply, but even ethics does not commit one to treating one’s profession as some kind of citizenship! Ethics requires one to be, among other things, honest, prudent, courageous, generous, and just.

Now if we asked people in business whether they take the promise involved in going into their profession seriously and whether schools of business ought to make clear that that indeed is the oath taken by business professionals, most would very likely answer, “of course.” But “corporate citizenship” is a term no one would think of—what does it mean, anyway?

Students in business schools often face a very biased view of business ethics, for example, when they are asked about the social responsibility of corporate managers. Why “social” responsibility? Why not professional responsibility? After all, doctors, educators, scientists, and artists, to name just a few in other fields, do not talk about social responsibility. Sure, ethical business could include a social dimension, but that it does should not be presumed. Nor

should decency and ethics in business people be equated with the choice to do pro bono work. The main issue is whether business professionals fulfill their promise to work hard and conscientiously at the tasks they assumed when they joined the profession.

Not that there is no debate about most of this. Some who reflect on the matter of the ethics of business professionals take it as given that such people are public servants, as are police officers, those who work in the Department of Justice, and members of the different branches of the armed forces, but this view is dubious. Professionals do promise, in effect, to serve those who come to them for service, who hire them. But they are not committed to involuntary servitude, to serve all who want what they have to offer. And they aren't public officials who must serve all citizens in society—all members of the public. If I haven't hired a broker, he or she owes me no advice. If I have no shares in a company, the managers have no responsibility to enhance my prosperity. But if I call the cops to help me cope with a crime, they owe me help simply because they are public servants.

Those who deny this adhere to what has come to be called the stakeholder—as opposed to the shareholder—theory of the ethical responsibility of corporate managers. If you own a little shop next to a branch of a company and the managers decide that it would be economical to close this branch, they must, by this outlook, consider your interests as one of their priorities, not just the shareholders' interests. Yet, this all rests on a view that denies a fundamental principle of business, that trade must be voluntary. The company managers did not volunteer to serve the little shop next to the branch that's to be shut down. They did volunteer to manage the company for its owners.

At one time, of course, all companies existed at the behest of the monarch and were, thus, public service institutions. Even the U.S. Constitution has some wording that suggests this: it treats the free flow of commerce as something that needs public support. In that, the constitution got it wrong—commerce, like religion or any other social project, exists because the members of society want it to exist, not because the government has decreed its value!

Consider, also, that few if any professionals outside of business are expected to do pro bono work in order to earn moral standing. Companies are routinely expected to make huge contributions to charities, universities, and international rescue missions. And they are expected to “give back” to their communities, as if they stole something from them! This is all utterly misguided, and unfair to boot.

In any case, whether business owes something to society and whether perhaps other professionals do as well are matters to be considered in a thorough exploration of professional and business ethics. These questions can't be decided by a survey and the findings laid down as axiomatic by some survey group and then reported by the *Wall Street Journal* uncritically—as if nothing problematic were contained in the finding that business recruiters don't much care about whether students in business schools take courses in “corporate citizenship.” Perhaps they shouldn't. Perhaps recruiters and students really ought to care about being decent professionals in business, period.

Why I Am a Proud Market Fundamentalist

Yuma (Arizona) Sun, August 3, 2002

Freedom is often struggling to gain recognition, respect, and this is ever so true in the wake of corporate scandals. Though before we heard a lot from people about how freedom and free markets promoted greed, hedonism, and the “me generation,” now some are denouncing freedom for being fundamentalist or purist, for refusing to be compromised or diluted with other systems, such as unrestrained democracy or vigorous government oversight.

Recently, the Congress has been urged from many corners to unleash a new wave of government regulations to tame the allegedly out-of-control, free-market capitalism that we’ve inherited from the era of Ronald Reagan and Margaret Thatcher. (Never mind that no such capitalism has ever existed anywhere!)

But what is at stake here, actually? To be fundamentalist, intransigent, or uncompromising about freedom is, recalling a well-known phrase from Barry Goldwater, no vice. Surely, abolitionists in the age of chattel slavery were fundamentalists because they refused to compromise their demand that slaves be set completely free, that it was not enough to just let them have some time off or otherwise moderate the extremes of slavery. No, the institution had to be abolished, period.

No less are defenders of freedom of the press, of artistic expression, or of religion fundamentalists about what they

demand. No system of occasional, gentle censorship will do. Freedom must be absolute—only once a person has been convicted of a crime that violates the rights of others may such a person's liberty be taken away or reduced.

I am a market fundamentalist because I believe that each person is morally, and should be politically, sovereign and that business (as well as other kinds of) conduct must be free from interference unless something criminal warrants restraint. Anything else would be what most people in the press vigorously protest, being the fundamentalists they are—namely, prior restraint.

The fact is that market fundamentalism is simply a consistent demand for individual liberty, nothing more or less. It is now targeted as something bad because “fundamentalism” has been associated with terrorism and mindlessness. But, why not be a fundamentalist here? Why should democracy, for example, be allowed to limit our economic liberty? Who are these majorities, with some kind of mysterious moral authority, to force others to conform to various terms before they may carry on their commercial or economic activities? Isn't it the point of the famous example of the unruly lynch mob that a person may not be sent off to the gallows or otherwise limited in liberty unless it has been demonstrated, by due process, that he or she has forfeited the right to liberty?

The innumerable government regulations already on the books and now being proposed not only seem unable to wipe out occasional business malpractice but constitute a kind of democratic lynch-mob action, this time on the futile grounds of precaution or prevention. By that argument, the very idea of innocent until proven guilty could be tossed and the creeping totalitarianism of police states

unleashed. (Moreover, proponents of this idea are naïve in holding that regulators are immune to corruption!)

If a system is in fact suited to community life, as the free market capitalist system is, then being fundamentalist about it, refusing to compromise its principles even from a sense of urgency to prevent misconduct, is the right approach to take. It is only thoughtless, stupid fundamentalism that is objectionable, when the fundamentals are accepted on blind faith. But in the history of economic life, it is obvious that freedom is not only more productive, more efficient than the alternative of government regulation and planning, but it is also more suited to human nature, which is creative and productive when not crushed by tyranny, be it of the democratic, monarchical, or single-party type.

In morality we tend to prize integrity, consistency, and consider those who compromise to be at least partly moral failures, and rightly so. Why, then, should we give up on this kind of fundamentalism—complete, unrelenting loyalty to sound principles—in the realm of political economy? No reason is given—by the likes of Professor Benjamin Barber of the University of Maryland, who tries so hard to substitute the regime of strong democracy for that of individual liberty—except that here the people who want to rule want to persuade us that upholding and championing a principled political system amounts to ideology, to being dogmatic, to failing to be flexible. One can only surmise that they do this in the hope that they can persuade some majority to do their bidding and rob us of the defense against such democratic tyranny.

Principles help people know how they ought to live and whether what others propose should be accepted or rejected. So, those who want to rule others don't much like principles.

Well, this trick is insulting and shouldn't be permitted to work. Market fundamentalism is simply being loyal to the principles of a free society, especially as they pertain to economics. Those who attempt to demean the free society are advocating political elitism where certain folks, maybe majorities, maybe demagogues, get to order the rest of us to do what they think is right.

I am urging that this scam be rejected in favor of, yes, unabashed market fundamentalism.

Wells Fargo and the Press

Irvington-on-Hudson (New York) Freeman, September 1996

When in late January Wells Fargo Bank acquired First Interstate Bank of California in what the press so gleefully likes to call a hostile takeover, I was in California, driving from one place to another for different speaking engagements. So I had the opportunity to listen to many radio news reports discussing the purchase. For example, I listened to KCBS-AM radio, the all-news station in San Francisco, on which this event was covered repeatedly over the time I was driving north from Santa Barbara to the Bay Area.

Invariably, the reporters gave an account of this major economic event in terms of how thousands of First Interstate employees will probably lose their jobs in Wells Fargo's efforts to consolidate its services and to secure a more profitable operation for the resulting huge enterprise. Employees were interviewed, and journalists as well as expert commentators, pretending to some measure of economic and business expertise, gave their take on what occurred.

In all instances they stressed just how this major buy-out will hurt people, even consumers (because the reduction in the work force surely isn't good for customers), just to secure profits for Wells Fargo and First Interstate stockholders. Not one person advanced the idea that such a merger would probably enable a great many of the Wells Fargo and First Interstate stockholders to invest more

money in their children's education, clothing, health care, ballet lessons, and other efforts to give them a better life and that all this would very likely lead to more demand for labor, which eventually would directly or indirectly give those who leave the employ of First Interstate Bank another opportunity for productive employment.

None of this is certain, of course, but neither is it certain that those laid off because of the merger will not find work. Yet the media experts immediately focused on the possible downsides, not on anything worthwhile that might come of what had occurred. The one mention of benefit, namely, the possible profitability of the merger, came as a repeated snide aside, making clear that the experts thought of it as a crass, inhuman motive for doing such a terrible thing as consolidating two giant financial institutions. Profit making—which we should remember means achieving economic prosperity—was once again construed as some lowly aspect of human life, as some cancerous virus that only hurt people. This relic of Platonic political thought, whereby those who trade are of a lowly class, still governs much of the thinking of our intelligentsia.

Such narrow-mindedness seems to characterize nearly all news reporting, with only a few exceptions—in such outlets as the *Wall Street Journal*, *Investment Business Daily*, *Forbes*, and *Barron's*. If there were such a thing as a tradition of class-action malpractice suits initiated against the press, no doubt a very strong case could be made against all these reporters whose only aim seems to be to put down business and scare the hell out of the public, never mind their professional responsibility to honestly explore all the angles of their news stories.

What can be done about this? Well, it would be nice if business schools and other educational institutions made

Capitalism and Its Critics**143**

some effort to teach people who major in journalism a measure of economic wisdom. But that will not be enough, since economists typically try to avoid giving a moral defense of commerce and the free market. What is really needed is a moral education of the public, including the press, about how prosperity is a decent, honorable objective for people and how those who pursue it are doing the right thing. Is this going to happen soon in our educational system?

I doubt it.

Why No Protest over NPR/PBS?*

Over the years since I have arrived on the shores of the good old U.S. of A., I have never quite understood how Americans could tolerate what is evidently a government propaganda-broadcasting outfit, National Public Radio (and its TV equivalent, the Public Broadcasting Service).

Now and then I kid about how I am addicted to these, though it is not an addiction, rather a morbid fascination: I find it baffling that what is so typical of totalitarian systems could exist in a free society. The newspapers *Pravda* and *Izvestia* and their broadcast siblings were so much a part of the totalitarianism of the Soviet Union that they acquired a definitional status: where you find a government that has fully taken over the governance of the lives of its citizens, you must necessarily find the task of disseminating information squarely within that government's purview. In contrast, where the government is limited to the function of protecting the rights of citizens, such tasks as spreading the news, interviewing the best and brightest, and debating the crucial issues of the time are all left in the hands of the people through privately owned media.

Just look at the plain fact that the Constitution contains the First Amendment as the primary feature of its Bill of Rights. This amendment was considered by the framers of the American system of government as central to a free society, that no law might be enacted to empower govern-

ment to mess with the press, so to speak. The idea that free men and women might have their thought and speech interfered with was thought to be, well, unthinkable. Journalism and religion, two realms among many in human life where thinking is of the utmost importance, had to be left free of any forcible intervention, lest the best part of our lives be corrupted.

In the rest of the world, in contrast, where the remnants of a political system in which the people are pawns and the government is master still persist, more or less vividly, the journalists and clergy are often in bed with the state. Great Britain, one of the countries that unleashed the ideals of human liberty about four hundred years ago, still has a state religion. Throughout a good many countries of Europe, Asia, and the rest of the world the media are substantially under government control.

But why here? How can a free society tolerate the network of radio and TV stations funded largely by tax dollars and managed centrally and with an evident and distinct political point of view? If citizens are free to think and say what they will, and government is prohibited from regulating their thinking and speaking, what is NPR doing taking the citizens' resources and diverting them to the propagation of ideas many citizens do not share, indeed vehemently oppose?

One of NPR's most evident ideological slants is that it loves everything government wants to do except what it really ought to be confined to doing, defending the nation with its military. Shortly after the recent flap over the collision between the American spy plane and the Chinese fighter pilot, NPR ran what I am sure its producers prided themselves was a courageous segment in which a bunch of "military skeptics" called into question the American

government's version of that event. While NPR's several velvet-voiced commentators, interviewers, and announcers make no bones about how they love the welfare state and all those who champion it, these same folks project a distinctly antigovernment mindset when it comes to anything done abroad that smacks of defending America's security from those who might threaten it. Among the skeptics who raised questions about the official government version of this incident with the Chinese, several raised questions about the need for spying on China, even from international air space. This at a time when it is more and more evident that the government of the People's Republic of China conducts large-scale intelligence operations in the United States, wherever it can get away with them.

But the specifics here are not what's important. It is rather that we have what amounts to nothing less than a government-run broadcast medium, one that runs practically every university and college radio station's news division in the United States and which—though it admittedly has fine classical and jazz music programming—has carved a niche in American culture many people consider vital and indispensable. How can a free society have such a thing? How dare it?

And all this without even the slightest protest from those in our culture who are supposed to be the guardians of our liberties, our politicians, nor from those who would be expected to worry most about the evident threats a government-funded propaganda medium poses to the ethics of their own profession, our journalists. Not one politician nor any journalists appear to find anything amiss here.

Which is the most scary part of the story, as far as I am concerned.

The Cheerleaders of Envy

Orange County (California) Register, November 4, 1990

People who doubt the efficacy of ideas ought to consider how well liberal Democrats learned the lessons taught them by Professor John Kenneth Galbraith of Harvard University.

For decades now, and once again in his book *A Short History of Financial Euphoria* (New York: Whittle Books, 1993), the illustrious doctor of economic science repeats the myth that wealth is a matter of accident or, as he likes to call it, “good fortune,” implying, of course, that those who possess wealth have no rightful claim to it at all. Consider these sentiments, as recently expressed by Galbraith in the *The New York Times*: “There is the tendency of the many who live in more modest circumstances to presume an exceptional mental aptitude in those who, however evanescently, are identified with wealth.” He claims, quite arbitrarily and without even trying to prove his point, that “any individual, on becoming affluent, attributes his good fortune to his own superior acumen.”

Not only have liberal Democrats learned Galbraith’s doctrines well, they seem to have convinced a good part of the citizens of the United States of America of their truth, judging by how much headway the Democrats are making by bashing the rich.

The entire budget fiasco in the last several weeks was replete with indignant outcries about how unfair the advan-

tages are that Reagan and Bush have bestowed on the wealthy, about how we need to slap greater and greater tax burdens on these nasty people in the upper income brackets, and about how the Democrats are only a little less saintly than Mother Teresa for their relentless championing of the poor and the middle class.

Yet these ideas promulgated by Galbraith, however well backed by his standing, are really quite lame if not outright fraudulent.

Some people do get wealth through luck, and often enough through political patronage. But is it not clear, after all, that when we work harder, consider carefully our options, make hard decisions, save and invest with foresight and intelligence, we are likely to reap more benefit than if we just throw around our labor and effort recklessly?

This is just common sense—it is evident in the simplest manifestations of human action. Drivers who pay attention to the road, who are careful and prudent, do not have as many accidents as those who drive recklessly. If I think reasonably carefully about what I write and put my ideas together with attention to what I am supposed to accomplish with my columns, they are likely to be published. If I just throw around some half-baked notions in a column, it probably won't be published. (Um, unless I'm John Kenneth Galbraith, that is.)

Is Galbraith seriously proposing that no correlation at all exists between economic and financial accomplishment and hard and smart work? Or is he capitalizing on some of those instances that are indeed accidental, whereby despite all the hard and smart work, a person meets with little success because of bad luck?

I am confident that the latter is the case. Surely even with Galbraith, a famous and not so badly paid employee of

Harvard University, some loose connection between achievement and position may be detected. While I have no admiration for Dr. Galbraith's economic ideas, he can at least be credited with the ability to produce volumes and volumes of alluring and erudite prose. No doubt, that is one reason why he is published much more prominently than I am, for example.

Would he simply write that off as nothing but my bad luck and his good luck? Would he not credit himself with at least some acumen—the ability to know what his public wishes him to say and to say that with some flair? Surely that is not without a bit of merit?

People who become wealthy—an objective that many people find crass only to the extent that it is not within their grasp—have, on the whole, figured out some things, including how to please other people, how to produce what other people would like to have at a low enough cost to reap a profit from the undertaking. That is surely not a negligible aptitude.

Entrepreneurs do not come into being from spontaneous creation. They need to think hard, practice, persist, and so on. Just because there are those wealthy folks whose wealth is the result of theft and looting—including government grants, subsidies, and other favors—it by no means follows that the honestly earned wealth of others does not deserve a measure of admiration.

But envy runs deep in the souls of unfortunately too many people. Fueled by a cultural climate that has never been very supportive of commerce—recall how the Jews have often been denigrated for being good at accumulating wealth—the envy that many feel against the wealthy is capitalized upon by the Galbraiths of the world, who concoct fancy theories that rationalize this envy into a righteous

moral indignation that can be taken into the political arena by liberal Democrats and populists to win political power.

It would be nicer, would it not, if politics concerned itself not with such seamy matters but with how government can protect our individual rights to seek whatever objectives we can seek peacefully, be these wealth, education, art, or science. With cheerleaders of envy like Galbraith churning out their clever prose, that day is probably a long way off.