

Capitalism and the Common Man



There are some arguments, having a faint measure of plausibility, that have served politicians, charlatans, and assorted do-gooders for well over a century in their quest for control. One of those arguments is: capitalism primarily benefits the rich and not the common man. That vision prompts declarations such as Representative Richard Gephardt's assertion that high-income earners are "winners" in "the lottery of life." Then there's Robert Reich, former secretary of labor, who calls high-income earners the "fortunate fifth." This nonsensical vision leads to calls for those who've been "blessed" to "give back" either voluntarily or coercively through the tax code.

While demagogic statements like these have high emotive worth, they reflect resolute, nearly incurable stupidity about the sources of income. Listening to some of the talk about income differences, one would think that out there somewhere is a pile of money. People who are wealthy just happened to get there first and greedily took an unfair share. Justice requires that they give back. Or there's talk about unequal income distribution. The way some people talk, you'd think there's a dealer of dollars who shells out \$1,000 to one person, \$100,000 to another, and a million dollars to yet another. Thus the reason why some people are wealthy while others are not

wealthy is that the dollar dealer is a racist, sexist, or multi-nationalist—or just plain mean. Economic justice requires a redealing of the dollars, income redistribution, where the ill-gotten gains of the few are returned to their rightful owners.

In a free society, for the most part, people with high incomes have demonstrated extraordinary ability to produce valuable services for, and therefore to please, their fellow man. Sam Walton, founder of Wal-Mart; Bill Gates, founder of Microsoft; and singer Michael Jackson provided services deemed highly valuable by their fellow men who voluntarily took money out of their pockets to purchase those services. Their high incomes stand as unambiguous proof of that service. Their high incomes also reflect the "democracy" of the marketplace. For example, millions upon millions of independent decision-makers decided to fork over \$200 for Gates's Windows 98 operating system. Those who think Gates is too rich and want to redistribute his income are really registering disagreement with the "democracy" of the marketplace and want to cancel or offset the market "vote."

Indeed, we might consider the dollars people earn as certificates of performance. Think of it in the following way. You hire me to mow your lawn. After I have completed the task, you give me \$20. I go to the grocer and demand a pound of steak and a six-pack of beer that my fellow man produced. The grocer says, "You're demanding something that your fellow man has produced. What have you done to serve him?" I reply, "I have served my

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fellow man by mowing his lawn.” The grocer says, “Prove it!” That’s when I hand him my \$20, my certificate of performance.

Income earners owe nothing else to their fellow man; they have met their social obligations. If “giving something back” means anything, it should be the admonition to thieves and social parasites: people who have taken and given nothing in return. We have it backwards. Highly productive (rich) people like Walton and Gates are held up to social ridicule, while thieves and bums are shown compassion and concern and have become society’s mascots.

Good for the Masses

Capitalism is the best thing that ever happened to the common man. The rich have always had access to entertainment, often in the comfort of their palaces and mansions. The rich have never had to experience the drudgery of beating out carpets, ironing their clothing, or slaving over a hot stove all day to have a decent dinner; they could afford to hire people. Capitalism’s mass production and marketing have made radios and televisions, vacuum cleaners, wash-and-wear clothing, and microwave ovens available and well within the means of the common man, sparing him the boredom and drudgery of the past. Today the common man has the power to enjoy more than what only the rich had yesteryear.

What about those who became wealthy making comforts available to the common man? Henry Ford benefited immensely from mass-producing automobiles, but the benefit for the common man from being able to buy a car dwarfs anything Ford received. Individuals and companies that produced penicillin and polio and typhoid vaccines may have become very wealthy, but again it was the common man who was the major beneficiary. In more recent times, computers and software products have benefited our health, safety, and quality of life in ways that far outstrip whatever wealth was received by their creators.

Here’s a little test. Stand on the corner and watch people walk or drive by. Then, based

on their appearances, identify which persons are wealthy. Years ago, that wouldn’t have been a difficult challenge. Ordinary people wouldn’t be dressed as well, surely not wearing designer clothing, nor would they have nice-looking jewelry. They wouldn’t be driving by. Compare the income status of today’s airline passengers with those of a few years ago and you’ll find a much greater percentage of ordinary people.

That’s one of the great benefits of capitalism; it has made it possible for common people to enjoy at least some of what wealthy people enjoy. One might assert that common people don’t have access to Rolls Royces and yachts. You’re wrong. Gates is super-rich and can afford to ride in a Rolls Royce and go yachting; but so can the common man—just not as long. He can rent a Rolls or a yacht for a day, a half-day, or an hour.

Capitalism is relatively new in human history. Before the rise of capitalism, the way people amassed great wealth was by looting, plundering, and enslaving their fellow man. Capitalism made it possible to become wealthy by serving one’s fellow man. Capitalists seek to discover what people want and then produce and market it as efficiently as possible.

Here’s a question that we should ponder: are the wealthy people who have created unprecedented convenience, longer life expectancy, and more fun for the ordinary person deserving of all the scorn and ridicule heaped on them by intellectuals and politicians? Are the wealthy really obliged to “give something back”? Exactly what more do the wealthy discoverers and producers of, say, life-saving antibiotics owe us? They’ve already saved lives and made us healthier.

Despite the miracles of capitalism, it doesn’t do well in popularity polls. One reason is that capitalism is always evaluated against the nonexistent, unrealizable utopias of socialism or communism. Any earthly system will pale in comparison to a utopia. But for the ordinary person, capitalism, with all of its warts, is superior to any system yet devised to deal with our everyday needs and desires. □