



Greed Versus Compassion

What's the noblest of human motivations? Some might be tempted to answer: charity, love of one's neighbor, or, in modern, politically correct language, giving something back or feeling another's pain. In my book, these are indeed noble motivations, but they pale in comparison to a much more potent motivation for human action. For me the noblest of human motivations is greed. I don't mean theft, fraud, tricks, or misrepresentation. By greed I mean being only or mostly concerned with getting the most one can for oneself and not necessarily concerned about the welfare of others. Social consternation might cause one to cringe at the suggestion that greed might possibly be seen as a noble motivation. "Enlightened self-interest" might be a preferable term. I prefer greed since it is far more descriptive and less likely to be confused with other human motives.

That greed is the greatest of human motivations should be obvious to all; however, a few examples will make it more concrete. Texas cattle ranchers make enormous sacrifices to husband and insure the safety and well-being of their herds: running down stray cattle in the snow to care for and feed them, hiring veterinarians to safeguard their health, taking them to feed yards in time to fatten them up prior to selling them to slaughterhouses. The result of these sacrifices is that New Yorkers can enjoy having beef on their supermarket shelves.

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Idaho potato farmers arise early in the morning. They do backbreaking work in potato fields, with the sun beating down on them and the bugs maybe eating them. Similarly, the result of their sacrifices is that New Yorkers can also enjoy having potatoes on their supermarket shelves.

Why do Texas cattle ranchers and Idaho potato farmers make these sacrifices? Is it because they love New Yorkers? Only the most naïve would chalk their motivation up to one of concern for their fellow man in New York. The reason Texas cattle ranchers and Idaho potato farmers make those sacrifice is that they love themselves. They want more for themselves. In a word, they are greedy!

But that is the miracle of the market. Through serving the wants of one's fellow man, one acquires more for oneself. That is precisely what Adam Smith meant when he said, "It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages." He added, "By pursuing his own interest he frequently promotes that of the society more effectually than when he really intends to promote it. I have never known much good done by those who affected to trade for the public good." One might pause here for a moment and ask: How much beef and potatoes would New Yorkers enjoy if it all depended on human love, charity, and kindness? I'd be worried about New Yorkers.

Greed promotes other wonderful outcomes. It's nice that present generations conserve on scarce resources in order to make those resources available to future generations. Owners of buildings make sacrifices of current consumption and spend resources on maintenance that extends the useful life of the building—long past their own lives. For example, the original owners of the Empire State Building are now dead; however, the sacrifices they made to maintain the building mean that today's generations can enjoy it. When timber companies harvest trees on their land, they spend the resources necessary to plant seedlings and insure that the forest will continue to produce trees long after the owners are dead.

Can one realistically produce an argument that present generations make sacrifices of current consumption to insure that goods such as buildings and lumber will be available for future generations because they actually care about future generations? After all there's no quid pro quo, no way for future generations to compensate them for the sacrifices made on their behalf. So why? Again, it's greed but with its facilitator, private property rights (rights residing in the owner to acquire, keep, use, and dispose of property as deemed fit so long as that use does not violate similar rights held by another).

The present value, or selling price, of say 10,000 acres of forest depends not only on how much lumber the forest will yield in the year 2000, but also in the years 2005, 2010, 2030, and so on. The forest's capacity to produce lumber in these out years is summarized in its present selling price. The longer the forest will produce trees, the greater will be its price. Therefore, the current owner of the forest has a vested financial interest in doing

those things that protect the forest's productivity whether or not he will be alive in 2010 or 2030. In other words, his wealth is held hostage to his doing the socially responsible thing—conserving society's scarce resources. Thus one easily predicts that goods privately held will receive better care than goods communally held no matter what the good: cars, houses, land, and so forth. Owners tend to take better care of cars, houses, and land than renters or other non-owners.

We should hasten to add that for private property to have these beneficial effects it requires more than simply holding its title. The owner must have options. One could hold title to land but be restricted by government in its use. An example is when a person holds title to a 1,000-acre plot of forest land but the U.S. Fish and Wildlife Service decrees that some or all of it cannot be used, for fear of threatening an endangered species. Such a decree reduces the private use-value of the land and hence weakens incentives to care for it. Similarly, if there were high transfer taxes for land sales, it too would weaken incentives to care for the land. In fact, anything that weakens the owner's private property rights in the land weakens his incentives to do the socially responsible thing—conserve society's scarce resources.

While human motivations such as charity, love, or concern for others are important and salutary, they are nowhere nearly as important as people's desire to have more for themselves. We all know that, but we pretend it is not so. That unwillingness to acknowledge personal greed as vital to human welfare, and instead view it with disapproval, makes us easy prey to charlatans and quacks who'd take away our liberties in the name of combating greed. □