



ED CRANE

“The major address that the Republican presidential aspirant George W. Bush gave last week was, well, Clintonesque.”

PAGE 2



DREW EDMONDSON

“The last thing I want to see is a DEA agent standing between me and my doctors.”

PAGE 14



NADINE STROSSEN

“The central objective of the Establishment Clause is to protect individual religious liberty and freedom of conscience.”

PAGE 15



November/December 2005

Policy Report

Vol. XXVII No. 6

Rich Is Beautiful

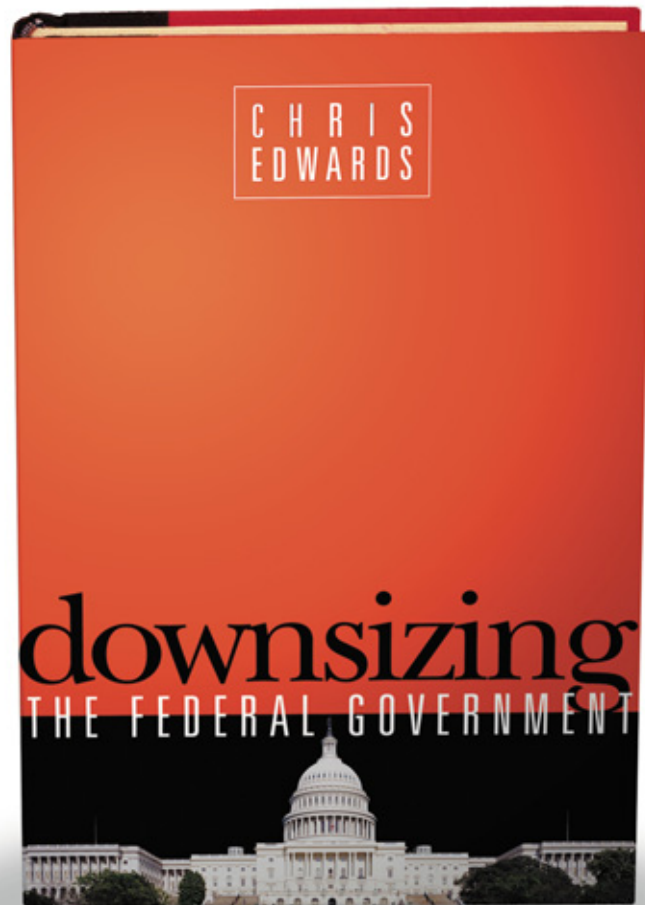
BY RICHARD D. NORTH

Wealth, lots of it and widely available, is lovely and good. Mass affluence has been desired for centuries and is desired now, where and when we have it, and even more when and where we don't. Yet it has few defenders. Most right-wingers take it as self-evident that wealth is good and haven't bothered with the idea that it might be a problem. The left used just to dislike the way wealth was created and spread but has now outflanked the right with new charges.

A recent spate of leftish books, and the Zeitgeist of liberal opinion, has it that capitalism has invaded our minds and made us live a life that is driving us half mad. Capitalism is, of course, trying to get us to be avid consumers, but the real harm caused to modern people stems from the “anxiety industry” and its new branch office, the “status anxiety industry.” Those industries come from a pseudo-dissident culture, which denigrates nearly everything that is valuable, including mass affluence, wealth creation, and the political and legal structures that help create wealth and preserve many other

CONT'D ON PAGE 9

RICHARD D. NORTH, media fellow of the Institute of Economic Affairs in London, is a former columnist for the Independent and the Sunday Times and the author of Rich Is Beautiful: A Very Personal Defence of Mass Affluence (Social Affairs Unit, 2005).



The federal government is headed toward a massive financial crisis thanks to endemic overspending and looming future entitlement costs. Luckily, says Cato director of tax policy studies Chris Edwards, we don't need such a big government. We can streamline federal spending, cut unconstitutional programs, and plan for future needs without busting the budget. **MORE ON PAGES 3 AND 5**

“Mass affluence has democratized the range of mistakes that people can make. They can do more good, be more creative, more generous —and they can be the opposite of all that on a larger scale.”

RICH IS BEAUTIFUL *Continued from page 1*

important liberties. One of its dislikes is globalization. (I say “pseudo-dissident” because these critics are at the heart of academia and journalism; they are as much a part of the mainstream, mortgage-holding, pension-owning mass affluent as the rest of us.)

The pseudo-dissident culture almost always misses the point. It is, of course, itself a globalizing force (for good or ill), since liberalism of any kind (even bad liberalism) is a universalist creed. In rather the same way, anti-commercialism is condemned by modernity to deploy the tools it affects to hate. The anti-globalization author Naomi Klein, for instance, wants to be a world influence; she desires to be globalized and probably does not disdain to be affluent and so has submitted to becoming a brand in herself. But more interestingly, she does not mention that the anti-establishment crowd has always had brands and has been brilliant at promoting them. It does seem fair to say that self-promoting, or promoted, heroes—especially cult heroes—get discussed and presented as life-enhancing in the special brand way. It is not merely the merit of their work that gets promoted but something more luminous, too. Cult figures such as Byron, Che Guevara, and Dylan are just as iconic as Coca-Cola and probably more powerful. So, in his day, was my own hero, Erasmus.

Old Complaints in New Clothes

To be sure, elements of the old socialist complaints remain, dressed up in new clothes. Accordingly, modern working methods oppress in modern ways; even now wealth is being spread poorly; the rich are now too grossly rich; a new crass materialism—“trash affluence”—has dumbed us down. But the really modern left has a wholly new, modern complaint of a completely different order. The new beef is that the mass affluent have had their brains bent.

This new version of Marxist “false consciousness” means, one supposes, that the mass affluent do not know that they do not like their lives; they do not notice that they are bamboozled into consuming and cannot exercise their democratic power to achieve the leftward drift in society that liberals desire.

The new critics of wealth and of mass affluence stress the vulnerability of us all in the face of the very social machinery—the capitalism and industrialization and the power structures—that has enriched us. Some suggest that we have sacrificed too much to satisfy man’s ancient urge to be rich and that “the system” has blinded us to its depredations as it half delivers on its promise to enrich us but actually enslaves us. Above all, they say, we are self-enslaved by materialism and ambition.

These new critics bring a fresh vigor to the left’s hatred of neo-liberalism, which, they assert, allows capitalism to do its work too brutally. Neo-liberal capitalism, they assert, is vicious and brutal, as it sweeps virtue away in its quest for profit. Above all, it is efficient in its own interests, driving prices down and decency out. Very much is made, these days, of the supermarkets and their indifference to the farmer in their pursuit of cheap food. But I counter that this is an important example of a misreading of capitalism’s purposes. Capitalism has no interest in cheap food or in miserable producers. Capitalism, in the form of (some) supermarkets, simply recognizes that customers care about prices, not farmers. In the form of the boutique organics business, it recognizes that some people want something different, and it delivers that, too.

The big, newish, leftish thesis—articulated most clearly by the British journalist Will Hutton—is that modern capitalism creates staggering amounts of wealth, but the wealth accumulates in surprisingly few hands and makes surprisingly few of us happy. Neo-liberalism, it is claimed, has destroyed social—mostly mildly communitarian—values and thus vindicates a return to a largely leftward way of looking at society, after its apparent defeat in the “end of history” triumph of democracy and capitalism. Part of this criticism of modern economic life stems from a feeling that modern workers are exploited: overworked, insecure, and instruments of corporate needs rather than dignified partners in wealth creation.

A softer version of that has been adopted by Adair Turner, the erstwhile director of the Confederation of British Industry. That view is also reflected by several *Financial*

Times writers and the paper’s editorial pages. The new leftward view is not anti-capitalist in the way of “old” socialism. But it quite often renounces the “Third Way” accommodation between leftish politicians and their capitalist allies. Clinton and Blair were, according to this view, suckered by the capitalists into running the economy on free-market principles.

Defending Mass Affluence

I prefer an argument that acknowledges that Western capitalism is capable of improvement, as every human institution is. But the improvements are boring and minor, compared with the triumphs. The relatively unreconstructed capitalist Western societies are very far from brutal and preserve values that are useful. Those countries that aim to “soften” capitalism are welcome, of course, to their own views and styles, but they pay a price for them; and it’s a price not all of us want to pay. If you prefer Germany or Denmark to the Anglosphere, the EU now makes moving between the two as easy as it was centuries ago when globalization hadn’t been named but was—in the form of migration—readily available.

I like an argument that suggests that the West is just plain fortunate, and perhaps we in the Anglosphere are especially so, and that we will enjoy ourselves much more when we recognize it and are grateful for it. Lucky people ought to be gracious, and grateful, and if modern society has a failing, it is that we are not yet enjoined to be either. Our intellectuals, artists, and “role models” tend to line up with the complaint, not the celebration. The “problem” of wealth—perhaps especially in an age of mass affluence—is to remind ourselves that morals and manners matter as much as money.

I am very happy to believe that modern people have to assert a proper balance between getting and spending and their more private lives. I am even content to believe that many people deceive themselves as to their own real interests. But I assert that those are moral and aesthetic issues for individuals and that “the system” will respond perfectly well to them almost wherever they decide to go. We need to stop blaming capitalism for our own failures of character.

Continued on page 10

“We need to stop blaming capitalism for our own failures of character.”

RICH IS BEAUTIFUL *Continued from page 9*

Modern Westerners are richer than any people in history, by a long way. Their wealth has produced, and been the product of, extraordinary human advances in nearly every area that previous generations ever dreamed of, and in some areas they could not have conceived of. There is a problem with this affluence and these advances, and it is not often pointed out. For a couple of generations now, rather few people have faced any sort of moral challenge. Or better: rather few people have been aware that they face a moral challenge.

Mass Affluence and the Right

These reflections matter to right-wingers because it is we who insist that most problems in life are moral, not mechanical. Problems have to do with individuals, not societies. Whether people are rich or poor and what they make of either are personal matters. It happens that nearly every voice in democratic society clamors for wealth, which the right is rather good at producing. Where the having of wealth produces problems for people, the right is able to say—conscience free—“This is what you asked for, now you must make it work.”

The moral deficit of mass affluence arises because we have solved many of the problems that required people to be patient, courageous, forbearing, and generous in the face of poverty. Instead, we have a new problem: we need to be patient, courageous, forbearing, and generous in the face of affluence. In short, we have not made ourselves into morally worthwhile rich people. Our manners reflect this, of course.

We have democratized the old problem of advantage, and magnified it as well. Noblesse used to have to oblige, and now the masses ought to as well. Nobility was more common in the old aristocrats than is supposed, but—this being a vale of tears—very far from universal. Still, the modern problem is how to make the masses enjoy being aristocrats and deal beautifully with this new challenge.

All the possibilities enable us to aspire to and reach properly aristocratic qualities. We are not looking only for do-gooding modesty, for quiet niceness. We are looking for

grace and courage. People’s lives may seem very material, or very spiritual, aesthetic, or athletic, and they can still meet aristocratic high standards. The point is this: it is the richness of the responses we make to the extraordinary range of choices now before us that will mark us as civilized or trashy.

The free-market sort of liberal defends people’s freedom to do what they like unless it can be found to produce harm to others. We free-market types don’t mind if people harm themselves, though there may be some benefit in pointing out the risk to them. Wealth is what happens in free societies, and it’s best not to second-guess the vigor of the market that produces this wealth, or the human instincts by which people queue up to be wealth creators, whatever the cost they personally incur in their ability or failure to achieve their goal.

Actually of course, the right has its moralizers. The traditionalists are authentic right-wingers, and there is much in the world of mass affluence that worries them. Even the free-market liberal has a dilemma if what people want seems to be foolish or, if not positively bad, then uninspiring or disappointing. He may hold his nose, as the traditionalist does, but he knows he is committed to wealth creation, whatever its vulgarities. And it is the vulgarity, the carelessness, the joylessness of some aspects of mass affluence that are the core of the current writing about modern economic achievement.

The Left’s New Critique

The left often argues, of course, as though wealth were bad in itself. It is acquired by abusing the poor; and it is spent as though the poor did not deserve generosity more than the rich deserve extravagance. The greens add to those charges the crime of environmental destruction, or planetary abuse. Both the left and the greens made their charges before mass affluence made so many people into villains. Where once it was easy to criticize the rich for being nasty, that is much harder now that there are so many of us. It is bad form, and bad politics, to criticize one’s customer or constituents. So now the left’s criticism of mass affluence is that the people have been duped. In one criticism, we—the affluent

masses—have conned ourselves. In a rather commoner criticism, we have been duped by corporate power—and advertising.

In other words, where once one could dislike the rich—and even punish them politically—because they were wicked, or selfish, it is now necessary to see the affluent as being innocent, and perhaps even as victims. What a large change in so short a time: we have come to the point where we pity the affluent. The left is now not so much the scourge of evil, the corrector of wrongs, as the doctor to a sick society.

I offer a rightish account of wealth and mass affluence. Since they are here with us and have been produced by the mainstream world, the right’s old prejudice is to defend them. They are the product of people doing what they like (the libertarian strand) within an orderly society in which the rich flourish (the more traditional dimension). This is even more true now that so many are rich and many more are likely soon to be so. Yet more than that, it is not implausible to suppose that, within a century or so, the vast majority of people can be lifted out of material want.

The left dislikes mass affluence because it is a wickedness made general, and perhaps because it has robbed the left of much of its core support: the resentful poor of yore. There is a strand of right-wing opinion—the traditionalist right—that can find itself disliking mass affluence. That strand of thought has a stiff-necked view of society in which the masses (always disliked by many on the right) have proved they are no better at being rich than they were at being poor.

The “traditionalist” right is quite different from the libertarian. It likes a view of society in which change is relatively slow and traditions—even those that seem cruel—are preserved rather than junked. It is happy with hierarchy, and with the view that societies are at their best when there are few rich and many who are much less rich. The moralist Roger Scruton expresses that view: he sees something mystical and liberating in the disciplines of the old order of society.

Most conservatives see the point of liberty, the market, and personal responsibility. But the traditional right mourns the decline of old-style religion, ceremony, mystery, class. The progressive and libertarian

“The left dislikes mass affluence because it is a wickedness made general, and perhaps because it has robbed the left of much of its core support: the resentful poor of yore.”

right sees mass affluence as the benign product of an energetic free people working within a market economy, while the traditional right sees it as the mob getting it wrong again.

Most right-wingers are conflicted, of course. The pleasure of being on the right is that it provides equal license both for an authoritarian, traditionalist point of view and for a libertarian, progressive one. With respect to wealth, the traditionalist right-winger has the difficulty that he can hardly propose remedies for the crass affluence that worries him without abandoning core rightish values such as enterprise, wealth creation, and going with the flow. I understand and share the dilemma. So it is a particularly ripe pleasure to argue that mass affluence is highly defensible.

I can think the mass affluent misguided, and in many matters I do think they are. They are less than admirable, in my view, in finding amusement in soap operas. I cannot share their enthusiasm for SUVs (one of the few extravagances I have not myself owned). I find it very easy to inveigh against those lapses, and I often do. But I am not disposed to ban any of those things or to deprive people of the new affluence that has made those bits of consumption so easily available to so many. Besides, I recognize that there are intelligent people—better than me—who do not share my dis-

dain for any of them. These habits are—most of them—largely a matter of taste.

Mass affluence has many attractive features. And it is one of its merits—not a demerit—that it has democratized some very teasing problems about how to behave when one has advantages. Life is a Vanity Fair. As people’s opportunities increase, they become more interesting. Mass affluence has democratized the range of mistakes that people can make. They can do more good, be more creative, more generous—and they can be the opposite of all that on a larger scale. My defense is characteristically right wing in the sense that it does not expect people to be good or even perfectible. It does not altogether give up on the possibility of humans maturing, but reformation is perhaps too strong a word for what might happen to them.

So this defense supposes that realism is of immense importance as one approaches big moral questions. Human beings are wonderful: various, infuriating, and interesting. The left seeks its satisfactions in producing more policy to put right the faults in human society. The right does not wholly resist those virtuous moves (we have our moralists), but it notes that they go sour—especially when they do not recognize the great merit of human vigor and variety.

This defense does not merely insist that the present is rather good and that policy

to reform it may well backfire. It supposes that life is more interesting when as many people as possible do what they want, get what they want, and have to face the resulting challenges. I assert that the freedom part of that equation tends to produce well-being: so much is traditional to supporters of the free market. The last proposition is the peculiar bit: that the unfolding of challenges—their being met and failed—makes life worth living.

People choose the problems of being rich, and more would do so, given the chance. Very few people choose the problems of being poor.

This business of the voluntary is not a sure guide: it is not a sufficient or a necessary defense of something having virtue and value. And yet it is preferable to compulsion. And when it is proposed that people should be compelled to give up something they freely choose, the proposer had better be very sure of the benefits that will follow. In short, I want to go further down this road to affluence. To retreat seems counterproductive—and cowardly. The critics of this journey—those who want to stop the world and get off, and shove the rest of us off too—seem to me to be humbugs. They are mostly huge beneficiaries of the world about which they complain and have precious little idea how to improve the lot of those they affect to care about. ■



A once in a lifetime opportunity to advance the cause of liberty.

As a result of legislation passed by Congress late this year, you may be able to double your contributions to 501(c) 3 organizations such as the Cato Institute. Under the legislation, this year only gifts made by qualifying individuals to organizations such as Cato may be deducted in an amount equal to as much as 100% of income. Consult your tax professional for advice about how this legislation would affect your tax situation. Or call Yana Davis at 202-789-5231 for referral to Cato’s tax counsel.

Gifts may be made by check and mailed to the Cato Institute, 1000 Massachusetts Avenue N.W., Washington, D.C. 20001. Or you may make a gift online at www.cato.org

Please take advantage of this “once in a lifetime” opportunity to further strengthen and advance the cause of liberty through a generous contribution to the Cato Institute.

CATO
INSTITUTE