

A Lens on Wealth, From All the Angles

By Harry Hurt III

IS BEING RICH a good thing? According to a long line of philosophers, politicians and religious leaders, the answer is a resounding no.

Even before Jesus Christ preached that it was easier for a camel to go through the eye of a needle than for a rich man to go to heaven, the Book of Isaiah of the Old Testament berated the rich who “crush my people” and “grind the face of the poor.” Many centuries later, Franklin D. Roosevelt railed against “money changers” who were “in the temple” of civilization and “malefactors of great wealth.”

But other great minds have insisted that the pursuit of riches benefits both individuals and society as a whole. In the 18th century, Samuel Johnson opined, “There are few ways in which a man can be more innocently employed than in getting money.” In the 20th, John Maynard Keynes declared, “It is better that a man should tyrannize over his bank balance than over his fellow citizens.” Ayn Rand put it even more succinctly: “Blood, whips, guns—or dollars. Take your choice.”

These quotations represent but a few of the scores of competing ideas outlined by Hunter Lewis in *Are the Rich Necessary? Great Economic Arguments and How They Reflect Our Personal Values* (Axios Press, \$20). Mr. Hunter, a co-founder of the global investment firm Cambridge Associates, has his own opinion on the subject and ideas to promote, more of which anon. But in a majority of the book’s 24 chapters, he presents both yes and no answers to the titular question and several related ones.

In Chapter 8, for example, Mr. Lewis begins by asking, “Are private profits necessary?” and proceeds to offer four numbered arguments in the negative. (“Argument 4: Even when the private profit system produces the right goods, it denies them to those who need them most, the poor.”)

In Chapter 9, he asks the same question, but presents seven arguments in the affirmative. (“Argument 7: At first glance it might seem that the profit system just produces what rich people want. But this is wrong.”)

He also asks, “Does global free trade destroy jobs?” Chapter 12 answers yes. (“Argument 3: Free trade is ultimately about exploitation.”) Chapter 13 says no. (“Argument 4: Free trade produces more and better jobs.”)

“Can central banks protect us from the excesses of the profit system and lead the economy?” Chapter 21 says yes. (“Argument 1: “Without a central bank, there would be no way to control the dangerous excesses of the banking system and otherwise keep the economy on a steady course.”) And Chapter 22,

of course, answers no. (“Argument 2: The record of the U.S. Federal Reserve has been poor. The country did much better before its founding.”)

In taking such great pains to provide a balance of positive and negative points of view, Mr. Lewis risks exacting similarly great pains on the reader. He can, as he paraphrases Robert Strauss, the Washington power broker lawyer, teach the economic world to you round or teach it to you flat. On the one hand, there are five fingers; on the other hand, there are five more.

But remarkably enough, *Are the Rich Necessary?* is both a highly provocative and a highly pleasurable read. Much of the pleasure comes simply from meditating upon the often poetic insights from the famous thinkers Mr. Lewis marshals to support conflicting points of view. You may violently disagree with *The Communist Manifesto* of Karl Marx, but is there any denying that the forces of

private markets plunge most people into “the icy waters of egotistical calculation?” Who can fault Ralph Waldo Emerson for observing that “the greatest meliorator of the world is selfish, huckstering trade?”

Mr. Lewis critiques fiscal hypocrisies of both Democrats and Republicans. He says that while the officially

stated mission of the Federal Reserve Bank is to combat inflation, the central bank actually plans for a 2 percent annual inflation rate and typically makes decisions to increase the money supply based on politics rather than technical economic considerations. As he puts it, “easy money policies generally suit whatever party is in power, whether ostensibly of the left or right, and central bank chairmen want to be reappointed.”

Mr. Lewis abandons his balancing act in the final chapters of his book to offer a sweeping agenda for economic reform. Unlike conservative ideologues, he believes that it is not just immoral, but also self-destructive to let free-market capitalism take its course. Unlike liberal ideologues, he believes that big government, with its own self-interested ambitions of perpetual expansion, cannot and will not solve problems of poverty and economic injustice.

His humanist proposal is to develop a nonprofit sector of the economy that stands mostly apart from big government and the profit system. At present, individuals can claim deductions for charitable contributions that reduce the net amount of their taxable income. He argues that individuals should instead receive direct credits against their tax bills for giving money to “registered” charities that aim to alleviate poverty.

He acknowledges that the nonprofit economic sector he envisions could mushroom into a bureaucracy prone to all the excesses of big government and vulnerable to abuses by the private sector. But he has at least offered what he describes as a possible “way forward out of the old, bitter and often sterile economic quarrels of the past.”

In the meantime, the rich may or may not be necessary, but like the poor, they remain inevitable.

*“Are the Rich Necessary?”
is both a highly
provocative and a highly
pleasurable read.”*