

NOT Posted to the Gilder forum - November 6, 1999

Is Capitalism Altruistic?

Reply to Kin <kinbush@ibm.net>

>>>If I am a capitalist, I will succeed if I produce goods and/or services that people want. This is the only way I will succeed, right? Isn't this altruistic by its very essence?

No. That is Gilder's thesis but he is wrong. To start with, Gilder redefines altruism to fit his desired goal. Altruism, as defined in the dictionary, is giving without expectation of returns, ever, of any kind. The only return allowed by altruism is spiritual, a feeling of well being at being so good. Once you expect to obtain a return then the deed is no longer altruism but egoism. Gilder bases his whole theology on a misunderstanding of the term altruism, or rather, on a redefinition of the word.

The dictionary defines altruism as: 1.- unselfish concern for the welfare of others; selflessness. 2.- In ethics, the doctrine that the general welfare of society is the proper goal of an individual's actions: opposed to egoism.

>>>This theme...or reality as I would contend...is described to its fullest extent in George's "Wealth & Poverty". I'm sure you know that. And I understand your view as a simple (and valid, I might add) disagreement as to what constitutes altruism.

My disagreement with Gilder on this topic is valid but not simple. I object strongly to and disagree strongly with Gilder's theology of altruism. Let me digress a bit before I explain why I disagree with Gilder's thesis.

George Gilder is a complex man. I have detected three people in George Gilder. George the technologist who gives us the GTR, a most welcome source of information for making money in the stock market. George the economist who has saved the world from demand side economics by explaining the working and benefits of supply side economics and the evil of excessive taxation. George the theologian who is selling us God and Altruism.

I have read many left wing economists and my objection to them was that, after an accurate analysis of the objective facts, they jumped to the wrong conclusions. My own conclusion of their thought process is this: They acquired some economic theology in their formative years. Then they studied economics and learned to look for facts. Finally they put it together in a book but the only way to tie the analysis of the data to their preconceived theology was by a fearless leap over the chasm. John Kenneth Galbraith, one of my favorite writers does this quite well, he is a good leaper.

In 1965 I started a management consultancy in Venezuela. My partner and I used a book by a left wing economist to build our marketing plan. "La Oligarquía de Dinero," (The Oligarchy of Money) by Domingo Alberto Rangel described the Venezuelan financial structure

(oligarchy) in fine detail. We were able to list our top 20 target economic groups by order of importance and to go after them. We practically gave away our first jobs to be able to list those famous names as our references (does the poor giving to the rich qualify as altruism or is this some cynical marketing hoax?).

For a time I believed that this business of jumping to unwarranted conclusions was a trick of the evil left. A right wing economist would not need these tricks because he believed in the right creed that I also believed in. To my immense surprise I discovered that George Gilder does it too. The only difference is that instead of selling us communism, socialism or higher taxes he was selling God and Altruism (with a capital A because it is not the one that appears in the dictionary).

I have made the accusation, now let me prove it.

I don't think I ever posted this message because I never did finish the research that I was planning on doing to prove the above accusation. In brief, I was planning on rereading Wealth and Poverty which is full of these "altruistic" jumps. What I mean is this: George is following some line of thought or other and suddenly God appears on the scene as if by magic, with no logical connection at all. In every case the connection is made on faith alone, in effect saying, it is only because of God that people behave so well. Sorry, I don't buy that argument. (Nov 27, 2000)

>>>Just as I learn by understanding your view, please try to grasp what altruism...or to say it another way...giving, or simply thinking of the well being of your fellow man...does to the physical world.

>>>I would contend that it is much of what is moving the telecosm...it is what has put Man on the cusp of triumphing over matter.

Please excuse me when I say that the above is a total non-sequitur.