

Politics and Economics

The U.S. Government

The only trouble with our political system seems to be that, with almost no exceptions, all our political talent came at the beginning. “The American political system was designed by geniuses to be run by idiots.”

If the first fundamental flaw of Marxism is that it has no criteria for deciding if it is correct or not, then the second fundamental flaw is its naive faith that human beings will become good once they have the right political system, a flaw that the Founding Fathers took care to avoid:

“[Alexander Hamilton, in the sixth *Federalist Paper*, wrote:]...men are ambitious, vindictive and rapacious...’

“The practical success and durability of the Constitution owe much to Hamilton’s jaundiced view of human nature. The American Constitution is designed to be operated by crooks, just as the British constitution is designed to be operated by gentlemen. Because Hamilton believed that men are by nature crooks rather than gentlemen, he was able to help design a constitution that could deal effectively with President Nixon. If ever a World Government should come into existence, it had better be a government designed to be run by crooks rather than a government designed to be run by gentlemen. Gentlemen are too often in short supply.” — Dyson, Freeman, *Infinite in All Directions*, Harper & Row, Publishers, N.Y., 1988, pp. 204-205.

Many people believe that the greatness of a nation is at least in part measured by the quality of its leadership. But that belief is naive: a great nation is one that can function well no matter how incompetent its leadership, and on that basis, the U.S. ranks among the very best.

“The American intellectual rejects the idea that our ability to do things with little tutelage and leadership is a mark of social vigor. He would gauge the vigor of a society by its ability to produce great leaders. Yet it is precisely an America that in normal times can function well without outstanding leaders that so readily throws up outstanding individuals.” — Hoffer, Eric, *The Temper of Our Time*, Harper & Row, N.Y., 1969, p. 132.

In these academic-ridden times, it is easy to overlook one profound insight of the Founding Fathers, namely, that in certain human affairs, the highest wisdom is *hands off* — no definitions, no analyses, no theories, no Yes but No, no talking about what can’t be talked about, but simply, *hands off*.

For example, the existentialists of the 20th century covered many pages with descriptions of freedom:

“...the writer knows that he speaks for freedoms which are swallowed up, marked, and unavailable; and his own freedom is not so pure; he has to clean it. It is dangerously easy to speak too readily about eternal values; eternal values are very, very fleshless. Even freedom, if one considers it *sub specie aeternitatis*, seems to be a withered branch; for, like the sea, there is no end to it. It is nothing else but the movement by which one perpetually uproots and liberates oneself. There is no given freedom. One must win an inner victory over one’s passions, one’s race, one’s class, and one’s nation and must conquer other men along with oneself. But what counts in this case is the particular form of the obstacle to surmount, of the resistance to overcome. That is what gives form to freedom in each circumstance.” — Sartre, Jean-Paul, *What is Literature?*, Routledge Classics, N.Y., 1993, p. 50.

It is all too easy to take it for granted that what we are getting in all these pages is more information about the nature of the elephant. Such a big subject — so much to learn, so much to know, so much to understand! But those who are free do not need to read books to understand what it means to be free, to understand what freedom is, to understand what they “must do”. These descriptions are really attempts to *define* freedom; they are really the authors’ way of saying, “*This* is what freedom is. Anything else is not freedom. And, by the way, you need us intellectuals to explain to you the real nature of freedom.” And it is not very far from there to ideas such as: freedom is the freedom to obey.

And yet we willingly hand our youth over to philosophy professors who assume that it is always better to describe than not to describe, that freedom “explained” in a book is always better than freedom merely enjoyed.

“The spirit of liberty is the spirit which is not too sure that it is right.” — Judge Learned Hand.

The means justify the end.

New York Times columnist Tom Friedman has commented several times on the difference that has struck him during his conversations with high-ranking Chinese government officials and their U.S. counterparts, namely, the large number of them that have had technical educations, e.g., in engineering, and how different, as a result, their approach is to planning. In fact, their approach is similar to that of executives in any well-run company that produces technical products, e.g., computers or software. This planning is characterized by questions like the following:

What is our goal?

Why do we want to achieve it?

What are some ways we can go about achieving it?

What will be our criteria for deciding if we have succeeded?

What will be our budget?

How will we know when it is time to quit?

Friedman has commented on the fact that virtually all high-ranking U.S. officials are lawyers, and that lawyers have none of the training that leads to the above kind of thinking. Lawyers, like all in the humanities, practice *word-based* thinking. Virtually none of them has any idea of the importance of the difference between the What and the How (semantics vs. syntax, what is being implemented vs. implementation, function vs. software). Or of the desirability of simplicity. Or of the connection between the length of any text and the complexity of the content. (A short text cannot be as complex as a long text can¹.) Thus one way of keeping a law, or a regulation, or a government program, simple, is to limit the number of words in which it is allowed to be expressed. Very few lawyers have even the vaguest idea of what is called in computer science “top down design”, in which one first attempts to get the Big Picture right, then gradually pro-

1. This idea forms the basis for the subject called algorithmic information theory.

ceeds downward in the structural hierarchy, attempting at each level to get that level right before proceeding to lower levels (i.e., levels of greater detail).

The result of the appalling ignorance of these crucial concepts among our politicians is the near incomprehensibility of most laws and government programs. Which, of course, is just fine for lawyers.

Oppressors and the Oppressed

“I am as much an elitist as the next man. The only difference is that I think it’s a bad business oppressing people.” — S.f.

When an artist or an intellectual praises the common man — or at least the common man of the lower class — the one thing you can be sure of is that he doesn’t know what he is talking about. He has certainly never been forced to spend extended periods of time living in close proximity to the common man: has never had to listen to him in restaurants snorting back his early morning snot, or endure his loud talk on cell phones, or listen to him slurp his soup, or endure the sound of his power saws throughout the week — has never been forced to spend time in that monument to the common man, Las Vegas, has never had to suffer the consequences of the know-nothing political choices the common man routinely makes. If the Founding Fathers had known what the common man was to be in the nation they were creating, they would have all packed their bags and left for England.

“If you work hard enough, you can achieve anything.” This very American axiom of faith has an implication: “...and therefore if you do not achieve your goals, it is because you didn’t work hard enough.” There is no limit to the irresponsibility this implication invites from the ruling elite: “We can do anything we want because if they don’t succeed, it’s their fault.”

To primitive man, things are always done “on purpose” — if not by man or animal, then by this or that god, spirit or demon. So with the modern political and economic conservative: the only way he can explain crime, poverty, and homelessness is by assuming that some people deliberately choose to be criminals, or to be poor, or homeless, and indeed, why should society be compassionate toward such people?

For some conservatives, although they don’t express it in these terms, blacks are also to be blamed because they deliberately *chose* to have black skin and Negroid features — in spite of what must surely be obvious to blacks, namely, that white skin and Caucasian features are clearly better, clearly *normal*. Therefore, how can anyone have respect for such people?

“If you are desirous to prevent the overrunning of a state by any sect, show it toleration.” — Voltaire, *Philosophical Dictionary*, in *The Portable Voltaire*, ed. Ben Ray Redman, Penguin Books, N.Y., 1977, p. 223.

“A victim never stops feeling he or she is owed restitution.” (observation by a friend).

Yes but No, No but Yes among the oppressed: First, the carrying of weapons and the wearing of clothes that clearly proclaim, “Watch out for us! We will retaliate against any attacks!” Second, the criticism of this behavior, including by those who may be sympathetic to the group’s cause. Third, the response (*believed by those making it*): “Wearing knives on our belts and carrying concealed firearms do not make us murderers. Knives and guns are just pieces of metal. See how ready you are to accuse us falsely?” Fourth, a stepping up of this No but Yes: a march, perhaps, or a demonstration, with more brandishing of weapons, and, simultaneously, *in the minds of those participating*, the belief that their innocence is being demonstrated with each such escalation: “The fact that we have not killed anyone despite all this weaponry *proves* how innocent we are!” Fifth: a confrontation that leads to violence and possibly deaths. Sixth, among the oppressed, a further confirmation of what they believed from the start, before the “test” they have just carried out: “We are innocent, the Oppressor is evil.” This confirmation of innocence is a complex, interesting project to occupy the time of those who have no inclination to indulge in the boring daily labor that would lift them out of their condition.

“[Johnny Rotten] actually has some harsh words for the underclasses of Los Angeles: ‘As long as they play the victim, they’ll be victimized. I know, because I did that myself — “Oh, poor me, I’ll never get anywhere, I may as well play the victim and not work and not give a shit.” I’m in total solidarity with those people, because I understand it, but you’ve got to learn to get a little self-respect. You’ve got to work for everything in life. It pays off. It got me here [to LA], and that’s not bad for a boy from the flats. Or as you’d say, “projects.” People yak on here about how oppressed they are, but let me tell you: The ghettos in LA are better than anything *I* grew up in.’” — Arnold, Gina, “2 Filthy, 2 Furious”, *East Bay Express*, Aug. 27-Sept. 2, 2003, p. 56.

“It’s a little bit fun being oppressed.”— singer j.d. laing.

Rich and Poor

Money is the most important thing in the world: the rich know it, the poor know it.

“The trouble with being poor is that it takes up all your time.” — Willem de Kooning

Those in the middle and upper class who rage against the small percentage of the money earmarked for helping the poor that actually reaches the poor, should remember that current tax law gives everyone a very simple remedy, namely, to donate the money directly to those organizations which one believes are, in fact, efficient at helping the poor. Furthermore, the government is willing to lower the taxes of individuals who make such donations. So what’s the problem?

Suppose it were announced that a Nobel Prize would be given to the individual who did most to improve the lives of the homeless in ways *other than* merely giving them money or jobs. Suppose a Nobel Prize were offered to the individual who voluntarily joined the homeless, made no use of any of his money or possessions other than the clothes he wore and personal effects having no financial value, and without reliance on any friends or acquaintances of his former life, nor on any record of his past accomplishments, was able to make the greatest improvement in his standard of living? How well is it possible to live as a homeless person if one is intelligent?

What use are the poor? The question is usually put with satirical intent, or to encourage their neglect. But I put it with the intent of finding out just how many jobs are available that the poor could perform without further education. To orient our thinking, let us ask: suppose that all poor people disappeared overnight. How serious would that be for the economy? If the reply is that, yes, we definitely need a few people to perform the lowest tasks, then the next question is how many? That is the number of poor people for whom there is room in a given society.

Are we overlooking ways that we can help the poor to help themselves while they wait to be educated? Almost certainly. For example:

Merchants could make a practice of hiring one or more homeless people to keep the sidewalks in front of their businesses free of litter throughout the day. Or, at least hire the homeless regularly to sweep these sidewalks.

Utility companies could install human-powered electrical generators at various locations in poor parts of town. A person could turn a handle and/or pedal a bicycle-like device and a coin dispenser would pay him or her for the electricity generated. Wheels with handcranks could be mounted on walls throughout the ghetto.

Cities could start paying for litter, including cigarette butts, by the pound, and thus kill two birds with one stone, namely, clean up the streets in the parts of town that most need it and give the poor a means of earning money without badgering passersby.

Educating the Third World: suppose a cell-phone/computer device were developed which could be used anywhere in the world, and which would issue financial rewards in return for correct answers to questions in on-line self-teaching courses? Perhaps even basic literacy could be taught this way since, after all, the device would have a means of transmitting sound and visual images, including animations. In any case, the offer to the user would be simple: get the right answers for x percent of the questions, and any store with a similar cell-phone will allow you to buy y local-currency-units-worth of goods. Take as long as you like. Of course, the question of cheating immediately presents itself: a person in the village could become skilled at taking the on-line courses, then sign up repeatedly as many different students. But if others saw this, they would want to do the same, which would not be at all bad!

The same device might be of use in black ghettos in the U.S.

If there is a single policy of the U.S. government which can be declared, without qualification, to be madness, it is that of not discouraging people from having children they can't afford to raise, especially people who have a higher likelihood of bringing deformed, retarded, or addicted children into the world — children who will require small fortunes just to keep them alive. No

national enemy could inflict worse damage, aside from nuclear war, on the country than to see to it that the U.S. continues its policy of turning a blind eye to this problem, since it is nothing less than the systematic multiplication, year after year after year, of the worst of our social problems.

The only thing wrong with the poor is that there are too many of them.

What the rich owe the poor: a decent standard of living.

What the poor owe the rich: no more than two children per male per lifetime.

Anyone who is forced to confront the poor on a daily basis — e.g., on the streets of Berkeley, California — anyone who thinks about the kind of financial ignorance that was a major reason for the sub-prime mortgage disaster — anyone who watches daytime TV occasionally, e.g., the shows in which an endless parade of losers describe their troubles with sex, drugs, alcohol — anyone who observes what appeals to voters — cannot help but wonder if, for a significant proportion of the population, *the modern world is simply too difficult*¹.

Consider the knowledge required to vote intelligently if the voter was a successful farmer or employed resident of a small town at the time of the signing of the Declaration of Independence in 1776, and then consider the knowledge required to vote intelligently by a present-day voter. Surely that difference is very great indeed, no matter how it is measured.

Consider some of the basic questions that any intelligent person would have asked about a prospective mortgage in the period 2000-2007: “If the rate is variable, how much would the rate have to increase before I could no longer afford the payments?” “Has that rate ever occurred in this country?” “Has there ever been a case in the U.S. or any other economy in which the price of real estate continued to increase for years, decades, as it has increased during the past few years?” “What do some of the respectable financial experts think about the kind of mortgage I am contemplating?”

It is no exaggeration to say that millions of home buyers in the early 2000s either were not capable of thinking of these questions or, if they were, were not capable of realizing their importance. (Crooked real estate brokers did not prevent prospective customers from thinking.) Even the concept of a “worst case” is beyond most of the lower and much of the middle class (the same folks who believe that all living things on earth are less than 10,000 years old, and that the sun goes around the earth).

In the U.S., we like to believe that “anyone” can succeed if given an opportunity, and so if people are not succeeding, it is because they haven’t been given the opportunity. But suppose this belief is fundamentally wrong. Suppose that succeeding in the modern world requires more innate intelligence than many people are born with? Suppose that, in a real sense, nothing can be done for these people except to provide them with jobs they are capable of doing, pay for all their medical expenses, including drug treatment programs, and, of course, pay to keep many of them in prisons that, unlike present ones, are not overcrowded and that provide extensive rehabilitation. In other words, spend far more money on them than the rest of the public is willing to pay in

1. I regard this as one of the most important ideas in this book.

taxes. What then? Can there be any other solution to the problem except to pay the poor to have fewer than the replacement-rate number of children?

The truth is, though politicians and academics dislike expressing it in these terms, the government has been providing many jobs over the years for people who would otherwise have great difficulty surviving in the modern world. I am referring to the military, the Postal Service, and numerous other government jobs.

We must ask if democracy as it exists in the United States, requires far more intelligence among the citizenry than the citizenry possesses. Consider merely the amount of time that a responsible citizen must spend each day, each week, just keeping up. Consider the amount of time, and the amount of intelligence, insight, and experience that is required for a Berkeley, CA citizen to have any hope of thwarting the schemes of the corrupt city government¹. Surely it is not impossible to determine the minimum intelligence required for a citizen to participate responsibly in the U.S. democracy, and then to devise tests to find out what percentage of the citizenry has that minimum. The simple truth may be that democracy in the modern world is simply too difficult for the vast majority of people to participate in.

The number of people considered to be living in poverty in the late 1980's is about 40 million. Assume half are men. Assume the cost of a vasectomy is \$500. If each man were offered, say, a cash award of \$1,000, to have a free vasectomy, the total cost, including that of the operation, would be no more than \$15 billion if half the men accepted the offer. Furthermore, not only would this total cost decrease drastically with each succeeding year, but so would the cost of most poverty programs. Will anyone argue that such a program would be less humane, or, in the long run, less productive, than our current treatment of the poor?

The question, of course, is who would provide the \$1500? We will wait a long time indeed for the government to get around to implementing such a program. Nor, for obvious reasons, should we want the government to do so. On the other hand, there are, at present (early nineties), over 1 million households in the U.S. that earn more than \$100,000 per year (a very conservative estimate). If each such household contributed \$1,000 *per year*, that would result in \$1 billion *per year* available for vasectomies-and-rewards, or, about 667,000 vasectomies per year. Furthermore, the \$1 billion would flow almost entirely into the inner cities, where it is so desperately needed.

The following is from a flyer I have occasionally distributed in Berkeley and elsewhere:

1. This was written during the time when Tom Bates was mayor of Berkeley.

A Solution to Poverty, Crime, and the Welfare Problem

There is a simple solution to many of the great social problems that plague us. But no politician dare mention it, much less openly advocate it. It is therefore up to us, the people who are forced to pay the cost, year in and year out, of these problems, to do something ourselves.

The solution: pay the poor not to have children they can't afford to raise properly.

Consider these facts: (1) A poor woman of child-bearing age will have at least one child in five years; (2) At least one in five children of poor women will spend at least one year in reformatory or prison, at an annual cost to taxpayers of at least \$25,000; (3) A Norplant implant generally prevents a woman from having a child for a period of about five years.

Norplant implants at present are available to poor women for around \$200 (the procedure is virtually painless and can be done in a single office visit). Suppose, that, in addition, as an incentive, we gave each poor woman who volunteered to have such an implant a bonus of \$100. Suppose, in short, that we paid poor women \$300 to have an implant — \$200 to have the implant done, and \$100 cash bonus. *Then five such implants would cost \$1,500 but they would save us taxpayers at least \$25,000.*

We pay \$1,500 and get \$25,000 in return! That is a return of **more than 1400%** on our money!

There is no better social bargain anywhere. There is no social program, government or private, that returns anything remotely like that amount on the amount paid in. It would be very difficult to find such a return anywhere in the stock market or in any other business venture in the world today.

So how can we begin? At present, agencies such as Planned Parenthood will accept contributions earmarked for specific purposes, e.g., you can say, "The enclosed donation is to be used for Norplant implants for poor women (without regard to race, of course)." That much you can do right now. The next step is to find a way to get the bonus to those women who take advantage of the contributions you make. If you are reading this, you are intelligent enough to think of ways this can be accomplished.

Poverty is extra people.

— John Franklin (no affiliation with Planned Parenthood or any similar agency or with the manufacturer or distributors of Norplant implants)

(The last sentence above is a paraphrase of Shaw's: "Capitalism is extra money.")

For those who believe that no such policy as described above could be implemented in the U.S. because it would be immediately be branded as "fascist" and "genocidal", I should point out that in April, 1998, such a program, in Los Angeles, was reported on the evening television news. The program, called "CRACK", pays crack-addicted mothers \$200 for having a free Norplant implant or tubal ligation. A similar payment is offered to addicted men who have a vasectomy.

Compared to paying the poor not to have more children than they can raise properly, all other social programs are like setting fire to money.

Sign for posting in urban areas racked by gang warfare:

Join a Gang! Don't listen to what teachers and cops and your parents tell you. Join a gang! The chances are it will be a hell of a lot more fun than some dumb job. We *want* you to join a gang, because it will mean you will probably die early, and won't be able to produce babies.

— Whites and Asians for Reducing the Number of Poor People

A PBS TV program investigates the plight of long-term welfare recipients who will lose some or all of their benefits as a result of new reforms. A black woman with seven children worries aloud whether there will be a job waiting for her after she has completed her government-paid training, and whether child-care will be provided. Although, clearly, we in the audience are intended to feel sorry for her, to realize how tough some people in the lower class really have it, and although, clearly, we are not intended to feel anger at her for having had seven children when she had so few prospects for raising them properly, some of us nevertheless do feel angry, and are inclined to reply that she should have thought of these problems while she was humping all those guys.

Even in the current political climate, when the liberal ideas of the sixties are at the very least being called into question, the general feeling still is that a poor woman should not be criticized for having as many babies as she wants and that if any of them go hungry, the rest of us should be ashamed of ourselves. To argue otherwise, we are told, is to deprive her of her freedom and dignity.

The main value of prisons is that they serve as a means of controlling the population of those least likely to produce healthy children who will grow up to be self-supporting adults.

If I were allowed to give only one piece of advice to heads of state, present and future, it would be this: *Beware the have-nots!* (Or, as my friend S.f expresses it: *Beware the dumb-shits!*).

If you think that is too harsh a statement, let me remind you that they were the ones who, in November 2016, put an ignorant, lying buffoon into the U. S. presidency..

Hitler, Stalin, Mao Tse-Tung and numerous lesser tyrants, including those in the Muslim world, would have gotten nowhere if it weren't for the armies of have-nots who were willing to support without question anyone who promised to alleviate their misery. Have-nots believe they have nothing to lose, and also (which is far worse) that their misery is the fault of someone else, and so they are willing to support, and indeed encourage, all sorts of cruelty against those they believe responsible for their suffering. Certainly this is true of some American mass murderers, e.g., Timothy McVeigh, who was responsible for the Oklahoma City bombing in 1995 that killed 168 people.

The (second) war in Iraq and George W. Bush's election and re-election can be understood as a war between two groups of have-nots: Islamic fundamentalists and Christian fundamentalists. Both groups share the same hatred of the modern world — the same intuitive feeling that there is no place for them in the modern world — and therefore the same hatred of those who accept the modern world as reality.

In our time, more than at any other time in the past, it is the gap in intelligence that marks the haves from the have-nots — even more than the gap in material wealth. A group's or an entire people's perception that they fundamentally and irretrievably lack the intelligence that would enable them to thrive in the modern world, is a license for unlimited cruelty and destruction. The Muslim world is the most notorious example at present, but we must not forget that the Khmer Rouge, after its takeover of Cambodia in the mid-seventies, drove urban dwellers on long, hard marches in the countryside as part of its "reform" campaign, and frequently shot anyone wearing glasses. Political scientists who still believe that poverty is the motivating force behind the Muslim outrages are missing the point. Certainly the French Revolution can largely be attributed to the poverty that was rampant in many sectors of French society, but that was a society that was still largely agricultural. Material advancement through ever-advancing technology (hence through the application of wide-spread brain power) was only dimly in view.

"Chairman Mao coined the slogan, 'Science is simply acting daringly.' He purged trained scientists in the 1950s and encouraged Party zealots to embark on crazy experiments, inspired by the equally zany theories of Stalin's pseudoscientist T. D. Lysenko. 'There is nothing special,' Mao said, 'about making nuclear reactors, cyclotrons or rockets...You need to have spirit to feel superior to everyone, as if there was no one beside you.' All the sense of envious inferiority that Mao and his fellow Party provincials felt toward people of higher education is contained in these words." Buruma, Ian and Margalit, Avishai, "Occidentalism", *The New York Review of Books*, Jan. 17, 2002, p. 5.

Ghetto blacks and Muslim fanatics share two characteristics; first, a fundamental alienation from Western intellectual culture — from what can fairly be called the essence of Western culture. They are not and never have been people of *the book* (when Mohammed described his followers as "people of the Book", he meant "of the Bible"; I mean people from a tradition in which learning is highly valued) — unlike the Chinese and Japanese, who, despite their cultures having profound differences from that of the West, nevertheless had long traditions of respect for the scholar, and thus were able in relatively short order to master Western technology. Second, both groups

are filled with the worst poison of all, namely, the poison of believing, “If we are not succeeding — if we do not have what we want — it is someone else’s fault.” As far as I know, history affords no hope to us that eventually these characteristics can be changed.

Have-nots typically choose one of two extreme explanations for their misery: either it is entirely someone else’s fault and hence entirely out of their own control, so that their only choice is to submit to the will of God or overthrow capitalism, or it is entirely their fault, and hence entirely in their own control. Catering to the latter category are, e.g., the various martial arts disciplines, whose main value, in modern times, is to convince their practitioners that, with sufficient discipline, they can be entirely in control of their own fate. Many of the Eastern religions cater to this illusion too: “if you obtain complete self-mastery, you will not be bothered by the misfortunes that befall you. It is entirely in your hands.”

The Third World in a nutshell:

1. We must be allowed to persist indefinitely in whatever stupidities we choose.
2. You in the West must persist in trying to save us from the consequences of our actions.

In previous versions of this chapter, I had written:

“If there is any proof at all that the Third World is fundamentally inferior to the West, it has nothing to do with IQ tests, but rather with the fact that, as of 2006, there is still nothing remotely like a recognition of the obvious: that the first step, the single most powerful step, toward emerging from Third World misery is reducing the population. “

But in the Feb. 1, 2008 issue of *The Economist*, we read:

“A generation ago, the biggest worry about poor countries was over-population... Since then the fertility rate (the average number of children a woman can expect during her lifetime) in low- and middle-income countries has crashed. In East Asia and the Pacific, the rate was 5.4 in 1970. Now it is 2.1. In South Asia, the fertility rate halved (from 6.0 to 3.1). In the world as a whole, fertility has fallen from 4.8 to 2.6 in a generation (25 years)...

“All the countries with fertility rates over 5.0 are in Africa (with the one exception of Yemen).” — p.27

“What saved the West from Malthus’ projected doublings and redoublings [of population]? Birth control undoubtedly played a role. Originally it was called Neo-Malthusianism, a name that would have made Malthus wince, for he quite disapproved of the practice. Actually, birth control seems to have been practiced by the upper classes all through history, which is one reason why the rich got richer and the poor got children.”¹

The Oct. 31, 2009 issue of *The Economist* reported on the continuing drop in the world’s fertility rate. So it would appear that there is a glimmer of hope.

1. Heilbroner, Robert L., *The Worldly Philosophers*, Simon and Schuster, N.Y., 1980, p. 91.

Middle- and upper-class Americans regard with shock and contempt the gangs that flourish in big city ghettos, and this contempt is only increased when these practical-minded citizens learn that most of the battles between gangs occur over real or imagined loss of prestige. However, our countrymen and women have forgotten their history: in particular, they have forgotten that loss of prestige was precisely the reason why many ancient battles were fought, e.g., the Greeks' siege of Troy. "Perhaps — especially when you consider all the sensitivity training that has invaded even the modern U.S. Army — the inner city is the last refuge of 'manly ideals' left in the modern world." (Observation by a friend.)

A good way to settle the eternal question of whether the rich are really better than the rest of us would be to have a national contest each year in which adult members of households in the upper, middle, and lower class are selected at random and then given a test deemed capable of measuring knowledge and ability in several subject areas — current events, history, world geography, economics (including finance), science, perhaps even a little math — and then simply comparing the results.

It is a sobering thought that a handful of Americans — a few hundred at most — became fabulously wealthy by wrecking the U.S. and the European economies, and did so without penalty.

"I pledge Allegiance to the flag
Of the Banana Republic of America..."

Revolution

The most important piece of writing on the subject of revolution I have yet read is Hannah Arendt's *On Revolution*¹. In it, she emphasizes that the American Revolution differed from the French Revolution (which unfortunately became the model for all future European revolutions) in two fundamental ways: (1) the Americans, unlike the French, were not driven by misery and want but instead by political motives; and (2) the Americans, unlike the French, already had had more than a century of "practice" in self-government (albeit under a limited monarchy) beginning at the level of the town-meeting, whereas the French had had no such practice.

Arendt says, regarding (1):

"What were absent from the American scene were misery and want rather than poverty...the laborious in America were poor but not miserable...the observations of English and Continental travellers are unanimous and unanimously amazed: 'in a course of 1,200 miles, I did not see a single object that solicited charity' (Andrew Barnaby)" — *ibid.*, p. 68.

"The direction of the French Revolution was deflected almost from its beginning from this course of foundation through the immediacy of suffering; it was determined by the exigencies of liberation not from tyranny but from necessity, and it was actuated by the limitless immensity of both the people's misery and the pity this misery inspired. The lawlessness of the 'all is permit-

1. Penguin Books, London, 1965, p. 92.

ted' sprang here still from the sentiments of the heart whose very boundlessness helped in the unleashing of a stream of boundless violence." — *ibid.*, p. 92.

She says, regarding (2):

"Historically speaking, the most obvious and the most decisive distinction between the American and the French Revolutions was that the historical inheritance of the American Revolution was 'limited monarchy' and that of the French Revolution an absolutism which apparently reached far back into the first centuries of our era and the last centuries of the Roman Empire. Nothing, indeed, seems more natural than that a revolution should be predetermined by the type of government it overthrows; nothing, therefore, appears more plausible than to explain the new absolute, the absolute revolution, by the absolute monarchy which preceded it, and to conclude that the more absolute the ruler, the more absolute will be the revolution that replaced him. The records of both the French Revolution in the eighteenth century and the Russian Revolution which modelled itself upon it in our own century could easily be read as one series of demonstrations of this plausibility." — *ibid.*, pp. 155-156.

"The direction of the American Revolution remained committed to the foundation of freedom and the establishment of lasting institutions, and to those who acted in this direction nothing was permitted that would have been outside the range of civil law." — *ibid.*, p. 92.

Any revolutionist who has not read and understood Arendt's book, and instead allows him- or herself to believe that all is permitted, and that "Because it is beyond dispute that we have suffered these things, therefore the rightness of our solution is also beyond dispute" is not worth following across the room, much less to the barricades and prison and the firing squad (regardless on which side of the rifles).

The vast majority of mankind still does not understand that what it takes to fight tyranny — what it takes to be free — is the ability to endure unending boredom, namely (at least in the U.S.) the boredom of daily or weekly political activity: attending meetings run by people of woefully limited intelligence; trying to convince indifferent neighbors to attend these meetings or to vote a certain way; writing letters to politicians; making signs for demonstrations. The vast majority of mankind wants to believe that important political developments occur in vast rushes of emotion inspired by a great leader. Yet that belief is precisely a formula for more of what mankind wants to get rid of, or claims it wants to get rid of.

"I always want to say to those in power, 'You can do anything you want — that's what it means to be in power! But you must remember that there is always a chance that a few of those you attempt to eliminate will not be eliminated — perhaps only one or two! — and they will be enough to destroy you.'" — S.f.

It is not huge inequities in wealth that drive people to revolution, it is the belief that the rulers are indifferent to the sufferings of the people. Hence the fall of the Czars and the continued life of the Catholic Church.

The first question a Third-World revolutionary should ask himself on gaining power, is “*What is there a lot of here?*” Thus Mao Tse-Tung recognized the enormous resource of manual labor he possessed in the Chinese population.

In the Middle East, the answer to the question is, obviously, “sunlight”! What can you do with a lot of sunlight? Generate electric power with solar cells. Imagine vast areas of those barren lands being covered with solar cells. The electricity could be used locally to power, first and foremost, air conditioning. (Living in very hot climates decreases the ability to think and increases the tendency for violence.)

But the electric power can also be exported. It is true that there would be significant power losses in the long lines needed to transport the electricity, but when there is an essentially unlimited supply that costs very little, one can afford those losses. Furthermore, the solar farms could be built fairly close to cities.

Once there is virtually unlimited, virtually free electric power, one can start developing a variety of commercial enterprises.

Solar energy can be the new oil.

Many Leftists make the peculiar inference that, because the rich are bad and the poor are good, therefore money is bad and poverty is good. But money is simply power, and a rich reformer is in a far better position to effect change than a poor one is.

Even at this late date, one hears intellectuals and artists boasting of their contempt for business. I knew a couple of IBM computer scientists whose hatred of that company for stifling their creativity led them to form their own software company, one which they were determined would not duplicate the evils of IBM. Unfortunately, among these evils they included planning and budgeting, with results for their company that you can well imagine. The truth is that every intellectual and artist is in business, and the better he becomes at it — meaning not merely at the handling of money and investments, but at manipulating people, when necessary, for his own ends — the greater the chances of his obtaining the freedom he needs to pursue his work.

In changing one’s lifestyle in middle age, there are often two goals: one is to turn aside from an affluent, meaningless lifestyle in order to live simply, in particular, to buy no more than one needs; and the other is to take revenge on a type of employer one hates, e.g., large business corporations. The former, however, in no way requires that one quit one’s job, and the latter is probably not achievable.

Similarly, a terrorist often has two goals: one is to express his hatred of a social system, the other is to overturn it. But unless there are actual precedents in his own culture, there is no reason to believe that the achievement of the first goal will lead to the achievement of the second.

In early June, 1999, the following poster appeared at various places in Berkeley, including (for some reason) on the side of trash receptacles:

Reclaim the Streets!

Friday, June 18th

11:30 a.m.

Justin Herman Plaza

San Francisco

Global Street Party!

On June 18, people in cities world-wide will take the fight against global capitalism to its heart: the financial districts.

415.820.3226

<http://xinet.com/rts/>

Let us try to think clearly about this social phenomenon. To begin with, we may ask why the poster is headed, "Reclaim the Streets!", since the question of who is currently in control of the streets would seem to have very little to do with the economic problems motivating the rally. ("Reclaim the Economic System!", yes, but...the *streets*?) Second, I think it is fair to say that many if not most of those connected with sponsoring the event had the posters printed either on their own computers or by a commercial copy center charging a few cents a copy, that these people walk around with easily-affordable Sony Walkmans and equivalent plugged into their ears, watch TV on easily affordable TV sets, listen to easily affordable CDs on easily affordable CD players, yet do not for a moment question if there might be some relationship between the existence of these inventions, their low price, and global capitalism.

Is anyone thinking straight about revolution in Third World countries? Is anyone asking the right questions? For example, how effective might population reduction be as a social weapon? What would the upper castes in India do if the untouchables stopped reproducing? Does the ruling elite need the masses, and, if so, in what way?

Is it really true that the poor can do nothing, absolutely nothing, that would make the elite *and themselves* simultaneously more wealthy? Have there been any Third World countries whose populations were not People of the Book which nevertheless have made significant gains in standard of living? In attempting to answer these questions, don't go by what Marx says, use your own brains and eyes and look at actual countries.

Suppose the ruling class of a Third World country were offered the following deal: your annual income, whatever it might be, will be doubled if you at the same time allow the annual income of the poor to be doubled.

The assumed need to suppress the poor, which is still so central in the political thinking of ruling classes of Third World countries, is a relic of a bygone age, namely, an age in which there was only a fixed amount of wealth available, so that the only way the poor could become richer was by the rich becoming poorer.

"All rulership had its original and its most legitimate source in man's wish to emancipate himself from life's necessity, and men achieved such liberation by means of violence, by forcing others to bear the burden of life for them. This was the core of slavery, and it is only the rise of

technology, and not the rise of modern political ideas as such, which has refuted the old and terrible truth that only violence and rule over others could make some men free. Nothing, we might say today, could be more obsolete than to attempt to liberate mankind from poverty by political means; nothing could be more futile and more dangerous.” — Arendt, Hannah, *On Revolution*, Penguin Books, London, 1965, p. 114.

The second most compelling argument against slavery is that after the slaves are freed, they are with you forever.

The first question a non-Third-World reformer- or revolutionary-to-be must ask himself is “*What works?*”, meaning, “What has worked in this particular culture in the past?” In some cultures, for some causes, the answer is violence, in others not. Will anyone seriously argue that in the U.S., Ralph Nader, Greenpeace, and the Nature Conservancy would have accomplished more had they chosen terrorism?

(I am an American to my very core: I believe that whatever works is good.)

It is occasionally suggested that persons who are doomed to die from cancer, kill an executive of a company whose pollution is known to cause cancer, and then kill themselves, instead of merely waiting to die. But here too, the fundamental question is not, “How can we express our rage against such companies?” or even “How can we make the death, if not the life, of such cancer victims meaningful?”, it is, “*What works?*” Is there any reason to believe that such suicide attacks will change the behavior of such companies? If so, then they should be encouraged; if not, then not.

The only difference between politics and art is one of materials. (Only the most naive reader will argue that something as shabby and depressing as, e.g., East Germany in the second half of the twentieth century, can’t be considered a work of art!)

If you want to understand political, religious or philosophical movements, study art criticism. Ultimately, a movement in one of these areas is an attempt at having everyone experience the world in a certain way, i.e., of encapsulating a type of feeling in institutions (hence, behavior) of one form or another. But the aim of having everyone experience the world in a certain way is precisely an artist’s aim. And the skills by which one analyzes if a given new theory is a deviation from the original, are the same skills by which one analyses, e.g., if a given painting is to be included among those of a certain school. Thus it is instructive to read, along with Heidegger’s philosophy, some of the academic art criticism of the twenties and thirties.

“The cultish fanaticism of modern art turns out to be not unrelated to the politics of fascism: both attempt to remake the world in utopian forms.”¹

Thinking like an English major — we should ask ourselves why almost all Marxists and other social revolutionaries begin as students of one or more of the humanities, and hardly ever as stu-

1. Ross, Alex, *The Rest Is Noise*, Farrar, Strauss and Giroux, N.Y., 2007, p. 34.

dents of the hard sciences, engineering, or mathematics. One answer is that employment opportunities in the latter subjects are so much better than in the former, that students and practitioners of these subjects have little motivation for revolution. Another answer — the most naive — is that the former are concerned with “human life”, whereas the latter are not. A much better answer is that social revolutionaries and thinkers in the humanities think like artists, but like artists who do not know what business they are in: they believe that “ x can be seen (experienced) as y ” means “ x is y ”, i.e., that therefore “ x is y ” is a true proposition. An even better answer is that in the modern world, students of the humanities are have-nots relative to students of the hard sciences, mathematics, engineering, and business, and so they identify with the have-nots of the world, and are strongly attracted to philosophies that claim to be a means of enabling have-nots to rise from their poverty.

The reason why Marxists become angry when you ask why they do not subject their theories to scientific test is that what they hear you asking is, “Why don’t you subject your compassion for the downtrodden to scientific test?” Marxists typically confuse the truth of their theories with the genuineness of their feelings for the poor and oppressed. Hence a second-generation Marxist I know has not the slightest hesitation in making utterances like, “I believe that if drinking milk is good for you, then everyone should be forced to drink milk,” and “I don’t need to read books. I know all I need to know,” and “Stalin cannot be blamed for the millions of his own people whom he destroyed because he had the right goal in mind, namely, bringing a classless society to Russia” — utterances which appear to be statements, and alarming ones at that, but which are in fact merely expressions of feeling.

“We think by feeling. What is there to know?” — Roethke, Theodore, “The Waking”

Christian Science affords an example of the logic underlying Marxism. In both cases, the founders were confronted with conditions they (and most other people) clearly abhorred: poverty in the case of Marxism, illness in the case of Christian Science. Then, based on the intellectual resources and knowledge each founder possessed, he or she came up with a theory to explain the cause and cure of the abhorrent conditions, arguing in each case that this is the real cause and cure and all others are false. The founders, as well as their followers, then made the false inference that to be *against* the given explanation and cure, was to be *for* the original conditions. Hence anyone who disagreed with them must be at the least heartless and, in the case of Marxism, an Enemy of the People.

A Marxist I know argues that, if you believe that universal health care is desirable on the grounds that no one should have to suffer unnecessarily because they are physically ill, since contracting illness is usually beyond their control, then you should also believe that no one should have to suffer unnecessarily from poverty, since that too is usually beyond the person’s control, being the result of the class they were born into. The proof that there is no difference between the two sets of circumstances lies in the fact that it is not possible to define the dividing line between the two.

But the argument: if it is not possible to define the dividing line between two things, then the two things are the same, is fallacious, and there are numerous examples to show that the fallacy is recognized both in everyday life and in the law. For example, most people do *not* believe the following:

Since you can't define the dividing line between good manners and bad, the two are the same.

Since you can't define the dividing line between great art and inferior art, the two are the same.

Since you can't define the dividing line between physical beauty and physical ugliness, the two are the same.

Since you can't define the dividing line between mental health and mental illness, the two are the same.

Since you can't define the dividing line between cases where punishment is justified even though the innocent are sometimes found guilty, and cases where it is not justified (e.g., when the punishment is execution), the two are the same, i.e., no punishment is justified.¹

To anyone who has even the most superficial acquaintance with the history of the Middle Ages, it seems almost incredible that *every* Marxist intellectual didn't recognize the all too obvious parallels between the ruling hierarchy in modern communist states, e.g., the Soviet Union, and the ruling hierarchy in the Roman Catholic Church during the earlier period, in particular, the corruption that settled in, for all too obvious reasons, in both cases. How was it possible that this overwhelmingly obvious fact managed not to be seen by so many? (How was it possible that Marx himself did not foresee its inevitability?)

The kind of lunacy that results when feelings become the criterion for truth, as they do in Marxism, is exemplified by the response of a Marxist I knew to the proposal that the Scandinavian countries have virtually achieved the kind of society that Marx considered desirable (and inevitable), namely, one in which there is cradle-to-grave health care, generous unemployment benefits, housing for the elderly who need it, and a reasonably high standard of living for all. Surely, I argued, that must be taken into account when comparing varieties of capitalism against Marxist societies. The reply was, no, all that is irrelevant because power relations still remain: the capitalists still own the means of production, and thus the workers still know, at some level, that they are slaves of the capitalist class.

When I pointed out that it is possible that some workers are happier under the Scandinavian system than they would be under a pure Marxist system, the response was that that was due to their ignorance, but that in any case, they must be brought around to recognizing that the Marxist system is the only one in which they could be truly fulfilled.

Persons with some experience analyzing the religious temperament (preferably in themselves) recognize here a variety of old Christian doctrines. No amount of suffering is too much when its goal is the bringing of a subject to a state of grace. Tyranny with the right goal is better than the absence of tyranny with the wrong goal.

1. Or else all punishments are justified. It is often argued that capital punishment should be abolished because death is an irrevocable punishment. But then so should all imprisonment be abolished, since the years spent in prison are also irrevocable.

I cannot emphasize it too often: literary sensibility is *not* a sound basis on which to build social or political or economic theory. Of course, every such theory has its associated “feeling environment” (I can think of no better term) — the ground, the fertile compost (resulting from a mixture of feelings of depression, frustration, anger, hope), the internal *smell*, out of which any person with literary talent can create literary works. But all this is irrelevant to the basic task of finding *what works* and putting it into practice, which is a task that must be performed, once goals are set, in as scientific a manner as possible. Sartre never understood this. For him, the questions of communism vs. capitalism, Stalinism vs. anti-Stalinism, the bourgeoisie vs. the artist and intellectual and “authentic” individual, were questions to be decided by his literary instincts, just as a composer decides via his musical instincts which form is best suited for some deep matter he wishes to express.

Every political theory — meaning here, theory of what political system *would be* best (e.g., Marxism, Islamic theocracy, anarcho-libertarianism) — is of the form:

If conditions x_1, x_2, \dots, x_j exist, then behaviors y_1, y_2, \dots, y_k will result.

As it stands, however, no such theory has any claim to being a statement about the world, because it does not specify how long we must wait until the specified behaviors result. To say, as many Marxists, libertarians, etc., often do, that “eventually”, “inevitably”, the behaviors will result (“You’ll see!”) is to give no specification at all.

And then, of course, there is the question how long it will take, starting now, in the country or countries under consideration, for the indicated *conditions* to be achieved. So every political theory *should be* of the form:

If conditions x_1, x_2, \dots, x_j exist, then within t years, behaviors y_1, y_2, \dots, y_k will result. Furthermore, the indicated conditions can be brought about within s years.

Why I am not a Marxist: “How can I accept the [communistic] doctrine, which sets up as its bible, above and beyond criticism, an obsolete textbook which I know not only to be scientifically erroneous but without interest or application to the modern world? How can I adopt a creed which, preferring the mud to the fish, exalts the boorish proletariat above the bourgeoisie and the intelligentsia, who with all their faults, are the quality of life and surely carry the seeds of all human achievement?” — Keynes, John Maynard, quoted in Heilbroner, Robert L., *The Worldly Philosophers*, Simon and Schuster, N.Y., 1961, p. 244.

A Marxist points out to me that Keynes’ remark is yet another example of the common practice of making a straw man out of what Marx did not say, and then knocking it down. This person says that a principal goal of Marxism is to create a world in which there is no “boorish proletariat”, that *all* have the talents and advantages of the bourgeoisie and the intelligentsia because, among other things, manual labor will have been abolished or, at the least, so redefined that we could no longer call it thus. To which our only reply can be what is self-evident: that there is not the slightest evidence, in a hundred years of colossal experiments world-wide, that this goal is achievable in anything like one, or two, or three generations, and that therefore, if it is achievable at all, we (or at least I) have to call the price too high, especially considering that values far more

undesirable than those of the “boorish proletariat” usually prevail in countries where the experiment has been made.

Marxism: a fantasy for losers.

Marxism is the best thing that ever happened to capitalism. What could the capitalists possibly desire more than to have their enemies perpetually locked into a theory of economics that was constructed out of philosophical ideas that were, and are, utterly worthless as far as revealing anything about the nature of the real world is concerned, a theory that has never once proved itself in practice, yet continues to hold out endless hope to its adherents, a theory that discourages, in fact knows nothing about, the only kind of thinking that has enabled man to improve his condition in the world, namely, scientific thinking? It is surprising that, as far as I know, no extensive research has been undertaken to determine if Marx may not, in fact, have been hired by the capitalists and have been working for them all along.

“When, in America and elsewhere, the poor become wealthy, they did not become men of leisure whose actions were prompted by a desire to excel, but succumbed to the boredom of vacant time, and while they too developed a taste for ‘consideration and congratulation’, they were content to get these ‘goods’ as cheaply as possible, that is, they eliminated the passion for distinction and excellence that can exert itself only in the broad daylight of the public. The end of government remained for them self-preservation, and John Adams’ conviction that ‘it is a principal end of government to regulate [the passion for distinction]’ has not even become a matter of controversy, it is simply forgotten. Instead of entering the market-place, where excellence can shine, they preferred, as it were, to throw open their private houses in ‘conspicuous consumption’, to display their wealth and to show what, by its very nature, is not fit to be seen by all.” — Arendt, Hannah, *On Revolution*, Penguin Books, London, 1965, p. 70.

“...abundance and endless consumption are the ideals of the poor: they are the mirage in the desert of misery.” — Arendt, Hannah, *On Revolution*, Penguin Books, London, 1965, p. 139.

“The hidden wish of poor men is not ‘To each according to his needs’, but ‘To each according to his desires’. And while it is true that freedom can only come to those whose needs have been fulfilled, it is equally true that it will escape those who are bent on living for their desires. The American dream, as the nineteenth and twentieth centuries under the impact of mass immigration came to understand it, was neither the dream of the American Revolution — the foundation of freedom — nor the dream of the French Revolution — the liberation of man; it was, unhappily, the dream of a ‘promised land’ where milk and honey flow.” — Arendt, Hannah, *On Revolution*, Penguin Books, London, 1965, p. 139.

We in the U.S. have a difficult time understanding revolutionary movements and regimes elsewhere in the world because we have so little understanding of the appeal of the ascetic life — the appeal of the life of *doing without*. This life too has its sensuality: the pleasure of unending barren sameness, not only of architecture, but of food, clothing and thought (the sensuality of the monastery). For an ascetic who thinks with his feelings, the main question to ask of every new idea is not, Is this true?, but Does this threaten to deprive me of the source of my daily pleasures?

Self-control is no less necessary in political revolutions than in any other endeavor.

What effect would a nationwide outpouring of contempt for the rich have on the rich themselves? In asking the question you realize how difficult it would be to create, to coordinate, such a phenomenon. You might propose having newspapers stop covering the social events of the rich. But the newspapers are themselves owned by the rich. You might propose that TV shows would no longer present real or fictional examples of the lives of the rich. Same problem. You might propose that designers create a new clothing fashion that features only the clothes of middle- and working-class Americans. Same problem. In fact, anything you think of that might succeed would probably only create a few more rich people in the process.

There are two very simple questions which can be used to judge the likelihood of success of a would-be reformer or revolutionary, and they are: (1) Does he know the important statistics, present and past, of his country? (2) Does he know how to make a budget, and can he adhere to it afterward, even if (especially if!) it is only the budget for his group of followers — or even if it is only his own personal budget? In short, does he know when it is time to think with a calculator? Most reformers and revolutionaries consider numbers to be one of the languages of the enemy and hence believe it incumbent upon themselves to have as little as possible to do with them. The consequences are usually all too clear within a few years after the revolution.

“...one way or another, Marx got considerable sums of money by inheritance. His father’s death brought him 6000 gold francs, some of which he spent on arming Belgian workmen. His mother’s death in 1856 brought him less than he expected, but this was because he had anticipated the legacy by borrowing from his Uncle Philips. He also received a substantial sum from the estate of Wilhelm Wolf in 1864. Other sums came in through his wife and her family (she also brought with her as part of her wedding portion a silver dinner service with the coat of arms of her Argyll ancestors, crested cutlery and bedlinen). *Between them they received enough money, sensibly invested, to provide a competence, and at no point did their actual income fall below 200 pounds a year, three times the average wage of a skilled workman.* But neither Marx himself nor Jenny had any interest in money except to spend it. Legacies and loans alike went in dribs and drabs and they were never a penny better off permanently. Indeed they were always in debt, often seriously, and the silver dinner service regularly went to the pawnbrokers along with much else, including the family’s clothing.” — Johnson, Paul, *Intellectuals*, Perennial Library, Harper & Row, Publishers, N.Y., 1990, pp. 74-75. Italics mine.

The Can-you-get-there-from-here? criterion: whenever someone proclaims him- or herself a believer in a radical political theory, among your first questions should be: Has it ever worked before? and How exactly would we get from where we are now to the kind of society the theory advocates? The answer to the second question must be a step-by-step process: “First, this must be done, and the reason it will be possible to do it is ...; next, this must be done, and the reason it will be possible to do it is ...”, etc. If the person can’t provide such an answer, his or her belief cannot be taken seriously. (Marxists are typically at a loss to explain the steps by which the stage of the dictatorship-of-the-proletariat will become the stage of from-each-according-to-his-abilities, to-each-according-to-his-needs. “Marx didn’t specify...” Libertarians, likewise, are good at describing what they believe to be a better social order, and are good at giving reasons why the present order is inferior, but they never seem to get around to describing the sequence of steps that they believe are possible in order to achieve the desired order.)

You world-shakers, bitter revolutionaries, God help you if you scorn the craftsman who is at peace in his work!

“All through the ages schoolmasters seem to have had the delusion that they could order society as readily as they could a classroom. But it is probably the twentieth century that will be seen in retrospect as the golden age of the schoolmaster...Now and then I am inclined to think that the passion to teach, which is far more powerful and primitive than the passion to learn, is a factor in the rise of mass movements. For what do we see in the Communist world? Half of the globe has been turned into a vast schoolroom with a thousand million pupils at the mercy of a band of maniacal schoolmasters.” — Eric Hoffer, *Working and Thinking on the Waterfront*, Perennial Library, N.Y., 1969, p. 28.

“The important point is that the lack of the conviction that I have the ability and the right to teach others marks me as a non-intellectual. For the intellectual is above all a teacher, and considers it his God-given right to tell the ignorant majority what to do. To ignore this teacher complex is to ignore the intellectual’s central characteristic, and miss the key to his aspirations and grievances. I am sure that the passion to teach has been a crucial factor in the rise of the revolutionary movements of our time. In most cases when a revolutionary takes over a country he turns it into a vast schoolroom with a population of cowed, captive pupils cringing at his feet. When he speaks, the country listens.” — *ibid.*, pp. 162-163.

Terrorism Know the Enemy!

Of the many appalling blunders by the Bush administration in its conduct of the Iraq war, one of the most glaring was the complete ignorance on the part of the military and the intelligence services, of the culture of the Iraqis.

“My curiosity about our policymakers’ grasp of Islam’s two major branches was piqued in 2005, when Jon Stewart and other TV comedians made hash out of depositions, taken in a whistleblower case, in which top F.B.I. officials drew blanks when asked basic questions about Islam. One of the bemused officials was Gary Bald, then the bureau’s counterterrorism chief. Such expertise, Mr. Bald maintained, wasn’t as important as being a good manager....

“A few weeks ago, I took the F.B.I.’s temperature again.... I asked Willie Hulon, chief of the bureau’s new national security branch ... if he could tell me the difference. He was flummoxed. ‘The basics goes back to their beliefs and who they were following,’ he said. ‘And the conflicts between the Sunnis and the Shia and the difference between who they were following.’

“OK, I asked, Which one is Iran — Sunni or Shiite? He thought for a second. ‘Iran and Hez-bollah,’ I prompted. ‘Which are they?’

“He took a stab: ‘Sunni’

“‘Wrong.’

“‘Al Qaeda? ‘Sunni.’

“‘Right...’

“Take Representative Terry Everett, a seven-term Alabama Republican who is vice chairman of the House intelligence subcommittee on technical and tactical intelligence.

“Do you know the difference between a Sunni and a Shiite?” I asked him a few weeks ago.

“Mr. Everett responded with a low chuckle. He thought for a moment: ‘One’s in one location, another’s in another location. No, to be honest with you, I don’t know. I thought it was differences in their religion, different families or something.’”¹

In recent years, police departments have evolved an often successful set of techniques for dealing with hostage takers. These techniques are the result of psychological studies and, of course, of data continually gathered about what has and what hasn’t worked in dealing with actual situations in the field. Precisely the same approach should be taken toward terrorists. The major constituent of the approach must be a rigorous study of the culture that the terrorists come from, including the history of the countries in which the culture exists.

“Perhaps no fact is more revealing about Iraq’s history than this: The Iraqis have a word that means to utterly defeat and humiliate someone by dragging his corpse through the streets.

“The word is ‘sahel,’ and it helps explain much of what I have seen in three and a half years of covering the war.

“It is a word unique to Iraq, my friend Razzaq explained over tea one afternoon in my final tour. Throughout Iraq’s history, he said, power has changed hands only through extreme violence, when a leader was vanquished absolutely, and his destruction was put on display for all to see.”²

Such cultural facts must be part of the core knowledge possessed by every agency having anything to do with fighting terrorism. The degree of rigor of that knowledge should be no less than that of the Marketing Dept. of any large corporation selling products to the masses, or of any insurance company about those it insures. That knowledge should include a detailed breakdown of what is valued most in the culture, what is of indifferent value, and what is valued least. Such knowledge is the beginning of everything else in the battle against terrorism.

Recognize Terrorism for What It Is: the Rage of Losers

Millions of ignorant, unintelligent, unemployed (or at best under-employed) men in the Middle East each day must face the fact that the culture in which they have their being has no place in

1. Stein, Jeff, “Can You Tell a Sunni From a Shiite?”, Op-ed page, *The New York Times*, Oct. 17, 2006.

2. Wong, Edward, “Iraq’s Curse: A Thirst for Finaol, Crushing Victory”, *The New York Times*, June 3, 2007, “Week in Review”, p. 3.

the modern world. Perhaps worst of all, in a world in which achievement is a way to importance and respect, their culture has virtually no record of achievement, and because of its scorn for intellectual development, deprives its members of a path to achievement.

But setting off explosions that kill people makes the world pay attention. It also inspires the countless other losers throughout the culture to believe that it is possible to fight — and eventually defeat — the enemy (namely, the West) that is the sole reason that the losers are what they are.

Of course, not all terrorists live in the Middle East. Some of those living in the U.S. have had one or more years of college. But this does not prevent them from knowing, to the depths of their souls, that their culture has no place in the modern world.

In the Middle East, jobs are probably the only answer, but the creation of jobs requires far more intelligence on the part of the tyrants-in-training that constitute the political leadership, than is worth hoping for. The fact is clear: if we want to stop, or at least reduce, terrorism, we will have to find a way for the losers to make something of themselves that they will think gives them more self-esteem than terrorism. Yet there seems to be no one in the federal government who is systematically investigating how to do this. At the very least, it requires a detailed knowledge of the history of the Middle East, in particular, of the ages when Middle East states flourished — e.g., the period from Muhammad's death in 632 until the 1100s.

Exploit the Gullibility of Ignorant Fanatics!

People sometimes say that there is no defense against hordes of ignorant fanatics who are willing, in fact, are eager, to kill themselves if in the process they can kill the enemy (or their own people, as long as the result is increased terror). But every strength has a corresponding weakness. In this case, the weakness is gullibility. The U.S., which is certainly the most skilled country in the world at advertising and making movies, could produce films showing, e.g., the former glory of Islamic culture, namely, during the period of around 700 through 1100 a.d., and showing how far that culture has degenerated in modern times. The film could use every enticement that experts (especially native-born experts) can assure the film-makers will, in fact, be enticements to those dim, impressionable minds, to paint a picture of terrorist leaders as ignorant power-seekers who prefer sending their own people to their deaths (thus disgracing Islam in the eyes of the world) instead of raising their people to achieve their former glory. The films could be broadcast from television transmitters in planes flown over the countries in question. Or they could simply be shown on web sites designed for the purpose. Who can doubt the power of Hollywood to influence unsophisticated minds?

(We must once again be astounded by the imbecilic incompetence of the Bush administration, which, after one laughably inept try, made no attempt to develop ongoing television propaganda and to broadcast it from planes flown over Iraq and Afghanistan.)

Use Shame As a Weapon

The films described in the previous section could emphasize that the terrorists are *shaming* the Prophet. The films could emphasize — via a fish-shaking speech from a male figure robed entirely in black, with appropriate quotes from the Koran in Arabic and English above him — that every terrorist act proclaims to the world, “We, the followers of the Prophet, are inferior to the other peoples of the world! We are unable to make successful lives for ourselves. We must go to

the West for all the guns and explosives and video technology we use. We have invented nothing. We hate the West because we hate our stupidity. The world of Islam was once the envy of the world, but now it is viewed with disgust and mockery by all the peoples of the world. With every terrorist act we shame the Prophet!”

The films could show numerous examples of Muslim communities, e.g., in Indonesia, in which Muslims live good lives without giving up their religion.

Tell Terrorists That Al-Jazeera Will Be Bombed if We Are Attacked Again!

Probably the single most powerful deterrent to another Islamic terrorist attack on the U.S. would be an open declaration from the U.S. government that the next time we are attacked, we will bomb into non-existence Al Jazeera and all other radio and TV stations that have ever broadcast Islamic terrorist propaganda and communiqués. Furthermore we will bomb all replacements for these stations.

Have An Alternative to the Bloated American Security State!

As a result of the 9/11 attacks, a huge bureaucracy has arisen dedicated to fighting terrorism in the U.S. See *Top Secret America: The Rise of the New American Security State*, by Dana Priest and William M. Arkin. No one knows how much it costs, nor what its success rate has been, although the public is well aware of some notable failures, e.g., not stopping the Shoe Bomber, the Underwear Bomber, and the Times Square Bomber. In all three cases, only the incompetence of the terrorists at building bombs, plus the awareness of the public, prevented many deaths.

Priest and Arkin give convincing evidence of the enormous duplication of effort and lack of coordination in the current Security State. And so the thoughtful American will wonder if there isn't a way to make the bureaucracy more efficient. What about offering cash and promotional incentives for efficiency? What about trying to instill a strong patriotic feeling in all members of the bureaucracy, similar to what existed in World War II?

But I suspect that a healthy skepticism will convince most of those who think about the problem that such efforts are likely to be unproductive. However, what might be productive is a small, highly-trained, strongly-motivated group of terrorism fighters ala similar elite groups in the military (the Navy Seals, the Green Berets). The group, and its administration, would be kept small enough to ensure a maximum of efficiency. Of course, the group would have access to the information flows in the large bureaucracy, but, more important, it would have the budget to hire programmers to design the best filtering and interpretation software for this information. But the two most important qualities of the group would need to be its small size and the intelligence (smartness) of its members.

Have a Realistic Foreign Policy

By now we should know that you can't bring democracy to barbarians. More than 6,000 Americans died in the attempt during the early 2000s. All that we have gotten for our efforts is the hatred of the majority of the people in Iraq, Afghanistan and Pakistan.

So it is time that we deal with what is. This means, first and foremost, withdrawing virtually all our troops from Iraq and Afghanistan (using whatever language will make this palatable to the majority of voters), but keeping present a contingent of C.I.A. and other operatives who are

skilled in gathering intelligence from hostile populations. Drone surveillance and strikes are to continue, of course. Second, we should change our foreign aid policy to one based on the simple rule of: We only pay for results. This means that we provide those in positions of power in each country with a list of what we want done and how much we will pay for each item, e.g., the killing of Al-Qaeda and Taliban leaders. Pay will be generous but only after we have confirmed that the deed has in fact been accomplished. The recipients of the payments can then distribute portions to those they feel it in their interest to reward. Or not, as they choose. In short, we should make the most of the natural corruption that exists in these countries.

Other ideas on fighting terrorism will be found in my essays, “Letter to the Islamic Terrorists” and “How to Fight Terrorism”, in this book, and in the section, “The Future”, in my autobiography, *Genius Without Genius*, on the web site www.thoughtsandvisions.com.

The Rage of Losers in the U.S.

Losers invariably believe that if they are not succeeding, it must be someone else’s fault — blacks, Jews, an intellectual elite, the federal government. Couple that fact with low intelligence, as in the far-right, and you have what seems to me to be an unsolvable problem. Like their counterparts in the Middle East, these born failures regard violence as their only salvation. And so the future that we face consists in taking measures to try to stop that violence. Period, end of story.

Republicans

Indifference to Public Welfare

When we are not paying attention, we sometimes allow ourselves to slip into the belief that Republicans and Democrats simply represent two different approaches to the common goal of a nation in which all, or virtually all, citizens can prosper. But this is not so. The goals, at least among those of each party who are not in the center, are vastly different. The Republicans and libertarians I have known have not had the slightest concern about the health and well-being of those who are unable to take care of themselves. A former friend on the far Right believed that forcing the poor to go without medical insurance was a way of building character in them. The idiotic counterproposals of Republicans in early 2009 to Pres. Obama’s programs for saving the nation from an impending Depression, made clear that their no. 1 allegiance was not to the welfare of the people but to a political philosophy, regardless of the fact that that political philosophy had been a major cause of the economic catastrophe in the first place. Several libertarians I have known have freely admitted that if the implementation of libertarian ideals would mean that a third of the nation starves, then so be it: freedom — especially freedom from government interference — is far more important.

Admiration for Ideas of Ayn Rand

From 1987 to 2006 the Chairman of the Federal Reserve was the Republican Alan Greenspan, a man who early in his career became a devoted follower of the ideas of novelist and philosopher Ayn Rand and her school of “Objectivism”. The deregulated financial markets that Greenspan promoted, and that were directly in line with Rand’s teachings, were largely blamed for the sub-prime mortgage crisis that almost wrecked the U.S. and European economies in 2007.

Of course, Greenspan was not the only high-ranking Republican who considered Rand a guide in economic matters. Paul Ryan, whom presidential candidate Mitt Romney chose as his vice-presidential running mate, was another.

The best evaluation of Rand that I know of is a well-known quip that was quoted by Nobel Prize-winning economist and liberal commentator Paul Krugman in his blog:

“There are two novels that can change a bookish fourteen-year old’s life: *The Lord of the Rings* and [Rand’s] *Atlas Shrugged*. One is a childish fantasy that often engenders a lifelong obsession with its unbelievable heroes, leading to an emotionally stunted, socially crippled adulthood, unable to deal with the real world. The other, of course, involves orcs.”

Liberals

“...do not fear the rascally or the wicked; sooner or later they are unmasked. Fear the deluded man of good will; he is on good terms with his own conscience, he desires the good, and everyone trusts him...But unfortunately he is mistaken as to the means of procuring it...” — Galiani, *Diallogues on the Corn Trade* (1770), quoted in Furbank, P. N., “Tocqueville’s Lament”, *The New York Review of Books*, Apr. 8, 1999, p. 50.

“The road to hell is paved with good intentions.”

Thirty Years of Liberal Policy

For more than ten years, I have lived in a city — Berkeley, CA — which is known throughout the country, and, indeed, in other countries in the Western world, for its liberal, and sometimes radical Left, policies. If there ever was a city that can be considered a proving ground for liberal ideas, it certainly must be this one. So let us see what we’ve got after thirty years of liberal policy.

“According to a 1996 report by the Western Association of Schools and Colleges (WASC), six out of every ten black Berkeley High students will drop out, flunk out, or otherwise disappear before their senior year. According to standardized test results issued this spring, white Berkeley High students scored in the top fifteenth percentile nationally, while more than sixty percent of the nation ranked higher than black Berkeley High students. Although roughly 140 black males start Berkeley High as freshmen each year, only eighteen black males graduated last year with a good enough record to qualify for a four-year college — compared with 111 white males.” — Thompson, Chris, “The Most Integrated High School in America,” *Express*, June 11, 1999, p. 1.

At noontime during the week, at least eleven police officers are on duty to prevent clashes between black and Latino gangs. Some downtown merchants, in an attempt to discourage shoplifting, post signs in their windows, “Only one high school student in the store at a time”.

And yet, as the PBS documentary of the early nineties, *School Colors*, showed, it is hard to imagine any high school doing more for oppressed minorities than Berkeley High has done, not the least of these things being the hiring of radical black teachers to teach what can only be called a virulent form of black Marxism.

“In the fall of [1968], the Black Student Union [at Berkeley High School] issued a series of demands, including the hiring of more black teachers, the serving of soul food in the cafeteria, and

the establishment of a black studies department. The school board conceded to each of these demands, and the only secondary school black studies department in the nation was created.” — *ibid.*, p. 9.

Several police officers have told me, “An unemployed black teenager in Berkeley would be a fool *not* to go into burglary, because even on the days he is caught he will be home in time for dinner.” These same officers have said that it is not uncommon for teenage burglars with ten and more arrests to be walking the streets¹.

The clerks in video stores will tell you of tape thefts by black teenagers and adults who fill their coats with videos and then as they head for the door and are questioned by clerks, reply that they were intending to buy the tapes, but since the clerk is clearly a racist, they have decided not to. If the clerk allows them to leave the store unquestioned, he is then confronted with the problem of catching them as they run away and somehow holding them until the police arrive. (In Berkeley, a person cannot be arrested for shoplifting until he or she has left the store.)

Similarly, those of us in Neighborhood Watches who question black loiterers and pot smokers are used to getting the same response. “You treatin’ me as a racial stereotype!”

Ask police who commits most of the robberies and occasional beatings of University of California students, and they will answer, without a moment’s hesitation, “Blacks”.

Recall, from newspaper reports, that most of the gangs that forced residents to go to the ATM machines and take out money, or who committed strings of robberies at local businesses, were black.

Ask Berkeley police what the city of choice is for members of black gangs in the Richmond ghetto to perform initiation rites like car stealing and rape, and they will tell you, Berkeley.

Talk to city officials about the fact that downtown Berkeley looks like a refugee encampment, with its beggars and homeless (black and white) on every block, and they will tell you that that is nothing compared to the frequent demands for money made by the same people *inside* City Hall offices, with threats of violence if these demands are not met, so that office workers have had to develop various code words to alert fellow workers when to call the police.

The Liberals in the Hills, or, the Appeal of Cloistered Righteousness

Many of the liberals whose boundless tolerance for bad behavior among minorities is a main reason why the above conditions persist, live in million dollar houses in the Berkeley Hills far above the city ghettos. Liberals elsewhere in the country (especially liberal academics) likewise seem to just happen to live in communities far from the ugly streets. Yet, whenever these folks get into positions of power and influence — in the universities, in the media, in politics — you can

1. This is not the fault of the Berkeley Police Dept., which does an excellent job, or even of local judges, but rather of another of California’s bizarre laws which on the one hand put three-time drug offenders in prison for 25 years to life, and on the other allow teenagers with multiple arrests for burglary, armed robbery, assault, and even attempted murder, to continue to walk the streets freely.

bet your bottom dollar they will be singing the song of compassion for the poor and downtrodden, with its sub-lyric, “See how exceptional we are? See how we care? See how *progressive* we are?”

(Whenever you hear a liberal talking about tolerance for crime committed by minorities, or whenever you see a judge handing out lenient sentences to repeat teenage burglars, your first duty is to find out where this friend of the oppressed lives. You will then know how seriously to take his or her views, which in the end are always products of the vanity of boundless tolerance for bad behavior.)

Liberals and the Media

When liberals in the media ask themselves what they can do to help the blacks, the answer they almost invariably come up with is, “Provide more programs about what victims the blacks are, how they have suffered in America, how *bad* it has been for them!” Not examples of blacks who have succeeded against the odds, not documentaries about middle-class blacks who have gone into business, who have made it on their own.

When it comes to PBS programming, this taking the easy way out should be called what it is, namely, geriatric self-righteousness, because it always seems to go hand in hand with PBS stations that believe that the term “film classic” means movies featuring Judy Garland, Frank Sinatra, Fred Astaire, Tracy and Hepburn, etc. — which is not surprising once you realize that the management of these stations consists, at least in part, of wealthy, middle-aged women.

PBS children’s programs often have black hosts and feature black children. And yet anyone who lives near the ghetto must wonder just what, if any, effect these programs are having on their intended black audience. I challenge the reader to find, on the Internet, any statistical data on the percentage of black children who watch these programs. Yet why should this data be almost impossible to find? Could it be that organizations like The Children’s Television Workshop that create these programs, know perfectly well that the majority of ghetto mothers regard them, if they know of their existence at all, as too white and irrelevant (in other words, too intellectual) despite the black faces that appear in them, and thus don’t even bother to call their children’s attention to them?

Those black faces are really there for the white liberals who need to believe that Something Is Being Done to Help the Blacks. I repeat: why are the creators and broadcasters of children’s programs so reluctant to make available the audience statistics regarding these programs?

Liberals have nothing but scorn for the complaints of those who live on the front lines, and who must somehow learn to deal with muggings and burglaries and the sidewalk intimidations of high school students who can’t read, write, or do arithmetic, and who think it an insult to be asked to learn such things. The sympathy and understanding of these liberals for the plight of the inhabitants of the African-American ghetto is boundless. Or, to put it more accurately, their willingness to continue to preen themselves on their reluctance to see the law enforced, their willingness to be co-dependents to behavior which, if it occurred in their families or businesses or communities, they wouldn’t tolerate for a minute, seems unbounded. Why is it racism to call a spade a spade?

Wonderful indeed is wealth, which enables a few to live in luxury and at the same time bask in the sunlight of understanding, tolerance, sympathy and freedom from the arrogance of wealth!

And the sons and daughters of these paragons of virtue have learned the lesson of hypocrisy by the time they enter college: in their case, it is expressed as: you can hate what is providing you with your high standard of living: money is such a dreadful thing, capitalism and business are really awful, what the world needs is ... socialism! And so off they go, working for the poor, the downtrodden (as long as they are in the mood), knowing (but not thinking about) that when mom and dad die, there will be several million dollars to ease their old age. What's all this fuss, this American obsession with making money?

“Naipaul saves his greatest scorn for... ‘the people who substitute doctrine for knowledge and irritation for concern, the revolutionaries who visit centers of revolution with return air tickets, the hippies, the people who wish themselves on societies more fragile than their own, all those people who in the end do no more than celebrate their own security.’” — Merkin, Daphne, “Suffering, Elemental as Night,” review of Naipaul, V. S., *The Writer and the World*, in *The New York Times Book Review*, Sept. 1, 2002, p. 12.

But liberals are not all talk. They are far too intelligent to allow themselves to be subject to that criticism. They believe in action to help the poor. “We need to give blacks the right environment!” And so, they decide to build low income housing for blacks in the *good* part of Berkeley, in North Berkeley — where *the well-off liberals* live — well, not *precisely* where they live, but certainly in their half of the town. And lo and behold, five or ten small, cheap low income housing units are built on the site of an old gas station along Martin Luther King, Jr. Blvd. in North Berkeley, and populated with black families. Of course, the location is many blocks from the expensive homes in the Berkeley Hills of the dogooders who backed this idea. A total of ten families out of thousands in Berkeley and Oakland occupy these units. But the rich liberals feel enormously good: see how much can be done if only one tries! And within a few months, the littered yards and the sound of boom boxes announce to the residents of this formerly white middle class enclave that the poor have arrived.

Let us get away from the problem of the blacks for a moment. These upper class liberals all read the right books, and the books emphasize the importance of listening to, responding to, what your kids are really saying. So young Everett comes home one day and complains about the lack of playing fields in Berkeley. Mom and Dad listen, don't you see. It's a disgrace, they decide, that there aren't adequate playing fields for the City's youth, when everyone knows that athletics are as important as academic studies to create the well-rounded professional of the future. Well, why doesn't the City do something? And so, the City, knowing which side its bread is buttered on, sets out to create some new ball fields in Berkeley. Now you might think: well, if the residents in the Hills want more playing fields for their kids, why don't they find some fields in the Hills? But surely you can't expect them to bring all that racket and traffic and litter and those overhead lights and loudspeakers for night games, not to mention vandalism, into their own neighborhoods, for God's sake! I mean, they have worked hard for those million dollar homes! Think what it would do to property values, not to mention the peace of mind that your upper class burgher expects as a matter of course. No, if ball fields are to be built, clearly, they ought to be built down in the flats, where the middle- and lower-middle class lives, where people will welcome (translate: don't have the political or financial wherewithal to stop) “new athletic opportunities for their kids”.

And so the well-tested strategy of this most liberal of City governments is now set into motion.

1. Decide what we want to do.

2. Go through a year or two of pretence of soliciting the “input” of neighbors in the affected areas, with numerous meetings, and a great display of taking notes on large sheets of paper mounted on stands at the front of the room, and the hiring of consultants to study every possible consequence of every possible variation of the proposed new field — noise and traffic and litter and overhead lights and loudspeakers for night games, and potential vandalism.

3. Do what we intended to do in the first place.

And so the middle- and lower-class residents in the flats find themselves saddled with a whole set of new problems, in addition to the ongoing crime and vandalism by an underclass that knows a good opportunity when it sees it, and in addition to the housing for the worst elements of society thrust into the neighborhoods by the pipe-dream idealism of those in the Hills. And so the light shines into the bedrooms of kids on game nights, and somehow the residents learn to live with the racket, and increased traffic, and vandalism, and litter. Meanwhile, in the Hills, the liberal moms and dads bask in the warmth of yet another proof of how much they *care*.

And where do *they* send their kids to school, these elitist sympathizers with the plight of the poor? Not Berkeley High, where their kids could confront some of the realities of this idealized underclass that does so much to soothe their parents’ consciences. Not on your life. Between 30 and 40% of eligible white students go to any one of a number of private schools in the Berkeley area, at annual costs of \$10,000 and up. There is no lack of rationalizations: “The school is closer to home, that’s all.” “We felt that he needed special treatment.” I’ll say.

(It is not that wealthy liberals send their kids to private schools that I am criticizing here. I certainly would do the same with my child. It’s that they continue to tolerate behavior in the public schools that make private schools necessary for all who can afford them.)

Possible Reasons for Liberal Softness

We who consider ourselves students of La Rochefoucauld and Nietzsche, are not inclined to take seriously the liberals’ own explanations for their remarkable tolerance and concern. Yet it is more difficult than you might suppose to discover the reasons for the liberals’ eager co-dependency with the poor — this compulsive toleration for behavior that the liberals wouldn’t tolerate for a moment in their businesses, their professions, their families, or their children’s schools. I think there is not one but several reasons.

1. In the upper class, it is a **guilt assuager**: “I may have all this wealth, but see how compassionate I am!” To threaten liberal values is therefore to threaten these members of the upper class with guilt for being so wealthy. If, tomorrow, all the poor suddenly had adequate incomes, and were able to take care of themselves, these members of the upper class would be plunged into despair.

2. Many upper class Jews want to fight the old stereotype of the rich, heartless, Jew. Liberalism is proof of their compassion.

3. **Identification with others whom liberals imagine to be like themselves.** In my experience, most liberals come from the humanities side of the academic world. This means that, no matter how successful these individuals are, they feel that they are outsiders relative to what really counts in our time, namely, ability to work in science and technology (and business!). So the poor become symbols of their own sense of weakness and alienation. ““I know how these people feel.

They feel just like me — not able to make it at the main game. They need the protection and love I wish I had. *They are me!*” (The old projection racket.)

“I am moved by fancies that are curled
Around these images, and cling:
The notion of some infinitely gentle
Infinitely suffering thing.”

— Eliot, T. S., “Preludes”, IV

College girls, college girls
Loving the oppressed,
Why are you never
On the side of the best?

Daddy worked hard
To put you through college:
Why do you have
So little self-knowledge?

Here is the reason
Why you are so sure
That the right thing to do
Is root for the poor:

You study literature,
History and art
Subjects for which the world
Doesn't give a fart.

So though you cannot face it,
It's nevertheless true:
In the eyes of the world
You're a have-not too!

“I subscribe...to the mondo-neo-Marxist theory of information-age conflict. According to this view, people who majored in liberal arts subjects like English and history naturally loathe people majored in econ, business, and other ‘hard’ fields. This loathing turns political in adult life and explains just about everything you need to know about political conflicts today.” — Brooks, David, “Ruling Class War”, column in *The New York Times*, Sept. 11, 2004, p. A31.

4. **A cheap and readily-available self-esteem fix.** “No one can say I’m not a good person: just look at how I always take the side of the victims of the world!” This produces far more pleasant feelings than what might be closer to the truth: “For most of the poor, there is no solution in the short run. Furthermore, the long run solutions will be ones that many of them won’t like at all: give up at least some of your familiar behavior and spend days, months, years, doing boring stuff like learning to read and write and do arithmetic, not to mention work at boring jobs. Stop having

children you can't afford to raise properly." It is much more pleasant to offer them a solution they will like (and which will make them like you!). And, indeed, we might formulate a sociological law which says that among popular theories for remedying social ills, the ones that produce the greatest feelings of self-esteem among proponents will tend to be the most long-lived, regardless of the truth of the theories. The old adage, "Follow the trail of the money" in circumstances like this should be replaced by "Follow the trail of the vanity."

But in no other walk of life — certainly not in child-rearing, or business, or education — do we follow the rule, "Whatever makes me feel good is right."

A related reason for liberal softness is the opportunity for risk-free rebellion that sympathy for the poor affords. The daughters of wealthy liberals express their contempt for their parents' business success and money (all the while being assured that most or all of that money will be theirs some day) by championing the cause of the downtrodden poor.

5. A sense of power. Underneath all that compassion lies an extraordinary arrogance. "We know what is good for the poor and furthermore, what is good for them just happens to be what we are good at dealing with, namely, education and money." ("If you give a child a hammer, he soon discovers that almost everything needs hammering.") Liberal professors confidently believe that all the world is a classroom and if some students (e.g., the hardcore poor) don't get the lecture the first year, why, one of these years they will. More education is all that is needed.

6. The poor are front-line troops in the battle against a system whose inequities offends the liberals' values. An affluent liberal neighbor of mine with little or no knowledge of history, in particular, the history of the 20th century, confidentially asserts that the problem of the poor in this country will not be solved until there is a revolution. She believes it is only a matter of time before the poor rise up and go after those wealthy industrial executives in their enclaves in the Berkeley Hills and in Silicon Valley who are earning hundreds of times what the lowest paid workers in their companies earn. Her virtually complete ignorance of the history of the 20th century saves her from confronting the very real possibility that the first ones who will be stood against a wall will be people like her, and that even if she were willing to make this sacrifice, the history of the century offers absolutely no reason to hope that the social problems that so bother her will be solved, or will not be replaced by far worse problems.

In Berkeley, it has proved all but impossible to pass legislation to keep beggars from occupying virtually every block in the downtown and the Telegraph Ave. areas (the latter being near the University of California campus). Yet clearly, the presence of these people — many of them young men and women who seem to be in good physical health — with their loud music, their litter, their sleeping bags and other paraphernalia, their pleas for money, makes the parts of the city they occupy, definitely unpleasant, filling the streets with the sullen hostility of the have-not. Berkeleyites have learned to accept this, one reason perhaps being that they assume that the entirely different atmosphere of the great cities of Europe somehow is not possible in the U.S. Or *should not* be possible, because by being forced to step over beggars every day, the well-off citizen is continually forced to be aware of the problem of the poor.

But here we are face-to-face with yet another example of liberal hypocrisy, for if one is angered by the plight of the poor in Berkeley, and elsewhere in the U.S., then one is obligated to do whatever is necessary to raise taxes so that the poor are taken care of. There is no other alternative. Of course, as we know from the example of many countries in Europe, taxes would have to be raised significantly to make adequate care possible, and the wealthy are reluctant indeed to pay

taxes, especially to pay taxes to help the lower class. But the wealthy liberals have figured out how to have their cake and eat it too! Simply be “tolerant” and “understanding” toward the poor, let them take over the downtown streets (where the wealthy spend little time anyway) and show passersby just how bad things are for some people in our country. The wealthy get their feel-good payoff, and it doesn’t cost them a dime! But (need it be said? apparently so) this is the worst kind of exploitation of the poor.

7. The soft ideology makes the problem “go away”. In economics, and in the study of plant and animal species — in particular, in the study of how to prevent species from becoming endangered species — no one doubts the difficulty of the problem, the importance of using scientific reasoning to arrive at a solution. Yet when it comes to an economically endangered segment of the human population, the assumption is simplistic to the point of idiocy. Why, all you need is love! “If everyone felt as I do, and gave these people money (a national tax could be imposed) why that is all it would take!”

The point is exemplified by a saying of the sixties: “The only thing wrong with the poor is lack of money.” Anyone who has managed to save enough money to buy a house, much less to start a business, or to put one or more of his or her children through college, or retire on, is capable of understanding the stunning lunacy of this observation. Money is a *by-product* of a certain kind of self-discipline, it is (except in the case of inherited wealth) the end of something, not the beginning.

(Eric Hoffer, the so-called “longshoreman philosopher” of San Francisco, wrote a great essay in the sixties on the black problem¹. He quoted some of the rhetoric of the black radicals of the day and showed how it embodied the assumption that people with money got it by *taking* it (by force in one form or another) from someone else. That was the only way you could get money. And so, naturally, the blacks would have to arm themselves and threaten the white power structure until it agreed to give them money.)

In fact, a good way of characterizing the thinking of the Left is: always putting the cart before the horse, always confusing cause and effect, always getting things backwards. The so-called New New Math which was gaining national attention in the late 90s and early 2000s, is an example. The deep thinkers who concern themselves with the schooling of the have-nots, decided that one of the main reasons why the underprivileged have difficulty with math is that it is too precise. There are right and wrong answers. Either a calculation is correct or it isn’t. Another capitalist conspiracy against the downtrodden masses! So these thinkers decided that the remedy is to get away from all this precision business, and instead teach that approximate answers are often perfectly satisfactory. Furthermore, what is important is not the learning of a bunch of rules, but of understanding, of discovering rules for oneself!

Now there is nothing wrong with these ideas except that here they are in the wrong place. They are what can and should come *after* one has learned certain things, not before. For certainly it is true that, in everyday life, and in not-so-everyday life, e.g., in the sciences, in business, even in mathematics, approximate answers are routinely used. The thing is, however, that it makes no sense to talk of approximate answers to people who have no idea of what an exact answer is! You can’t relax the rules if you don’t know what the rules are in the first place! Similarly, it makes no sense to ask people to discover rules for themselves if they have no idea of what a rule is.

1. “The Negro Revolution”, in *The Temper of Our Time*, Harper & Row, Publishers, N. Y. 1967, pp. 47-69.

(Let me remark in passing that I am enthusiastically *for*, at any time, the New New Math idea of giving students concrete examples (“proofs”) of mathematical rules using beans or blocks or whatever else is appropriate. The more that mathematical rules seem to make sense in the real world, the better.)

There is a certain naivete in raising the question, concerning primary and secondary school math classes, “What shall we teach in the way of rules?”. Whether we like the answer or not, it is a simple one: you should teach what subsequent courses (including university courses), and, of course, jobs in the real world, require. Period. That is what primary and secondary schools are for. Liberal thinkers have a notoriously difficult time putting into words and applying to the underprivileged what they have applied to themselves all their lives: that the only way to become successful in this country is by becoming a valuable commodity — developing skills that someone is willing to pay money for. In the black community, the idea is looked upon with contempt, despite its undeniable truth for all to see in the case of black athletes and entertainers.

A similar getting-things-backward occurred in the disastrous “whole language” approach to teaching reading which was again motivated by the difficulties that the underprivileged had in learning to read. Those of us who, thank God, learned to read by the phonics method, and who have been habitual readers ever since, almost certainly develop a “whole language” approach to reading, meaning, we gradually learn to recognize various patterns of words and phrases as units in themselves. We do not sound out each and every word for the rest of our lives. The whole language approach is not wrong, it simply comes *after* one has learned to read phonically, not before.

8. The American loser industry provides a source of income, purpose in life, and prestige. We are not aware of the many millions of dollars that go into the American loser industry, the American caretaker industry: the contributions to numerous private charities ostensibly helping minorities, the vast government programs, both national and local, the academic careers and in fact specialties built on studying the problem, not to mention the political careers built on the promise to solve it.

But the caretaker industry takes care to avoid any real solutions to the problems it is charged with solving — real solutions like population reduction of the poor — and it does so in order to ensure plenty of work for those in charge: more research by the academics (the root causes of crime and the best treatments for the problem are good for another century or two), the TV interview and talk show and documentary industry, the huge government bureaucracies to carry out all these policies. A vast empire bringing wealth and prestige to some, and at least a living to many others who abide by the the tacit agreement never to do anything that will really solve the problems concerned.

Finally, a word needs to be said about liberal values in the academic disciplines of international politics and economics. I have never met a professor, much less a student, in one of these disciplines who had the vaguest idea of what it meant to think straight about the problems of nation-saving, nation-building, in the Third World. Here, as on the national scene, the female mentality prevails: the unquestioned assumption that what makes us feel good, what allows us to express the instincts of the nest, must be right.

But to save a nation, or build one, requires the kind of thinking that is routine in successful businesses. It requires asking the hard, dry, boring questions: What are our goals? What are some of the ways that we think might achieve them? How much money is at our disposal for the attempt? How long are we willing to make the attempt? How will we know if, and to what

degree, we have achieved each of our goals? How will we measure our progress? What historical precedents, if any, in similar countries, encourage us to believe we can achieve our goals? What are the characteristics of the prevailing native culture(s)? Among the possible ways of achieving our goals, which ones can be most readily incorporated into these existing culture(s)? What are the politics that we will have to deal with?

Instead, we get the multiculturalist Party whine. But what else should we expect from an insulated, self-serving academic bureaucracy whose members haven't the slightest idea of what a theory (in science) is, how a theory works, how a theory is judged, why it is a good thing, and who have no experience in getting a social enterprise — a business enterprise, a government program — to *work*.

The Deadly Embrace

Much of the above can be summarized in a single phrase, namely, the “deadly embrace”, a term from computer science that is used to describe a situation in which neither one of two programs can proceed with their computations because each is trying to use the other.

Liberals exploit blacks in what may be called the Great Co-Dependency — like the wife of the alcoholic always forgiving, always trying to understand, always putting up with and excusing the bad behavior. And blacks exploit liberals. That is about as concisely as the matter can be put. As a result the status quo continues. And those who would attempt to break the Deadly Embrace, are in for trouble indeed, from both sides, witness some of the virulent criticism, from liberals and the black community, that greeted John McWhorter's book, *Losing the Race*, and that greeted Bill Cosby's call to young blacks, in 2005, urging them to stop victimizing black women and start paying attention to school.

Liberals are the running dogs of the lower class.

What Can Be Done?

Details of my recommended policy concerning the black poor are given in the chapter in this book, “Reality High School”.

The Professional Liberals

Noam Chomsky and Gore Vidal are famous for their uncompromising criticism of capitalism and the U.S. government. Both men, I believe, are prime examples of the fury that the have-not status of the liberal arts in the modern world, engenders in some members of the liberal arts community. (In his youth, Chomsky made fundamental contributions to the theory of formal languages (e.g., computer languages) and, as far as I know, wrote little or nothing about politics.) But it seems to me that common decency demands of anyone with such unbridled contempt for our economic system and our government as these two men demonstrate, that they answer a simple question: *where is your money invested?* It would seem that the only way these two can avoid being utter and complete hypocrites is to have all their money invested in: municipal bonds, collectibles, precious metals, and real estate. By rights they shouldn't even keep a significant amount of money in the bank, or at least in any bank that is part of a major corporation (e.g., Bank of America, Wells Fargo). Chomsky should answer two further questions, namely, *what proportion of your salary at MIT (a private institution) over the years has come, directly or indirectly, from capitalist profits, and have you ever done any work under contract to the U.S. government?*

Liberals and the Middle East Problem

Here too, a wise rule, if one is to understand liberal views on this very difficult subject, is “Follow the trail of the vanity.” The motivation for the views of liberal intellectuals can be summarized as follows: “Whatever the Republicans want to do is inherently wrong because they are not intellectuals like us. We are so much more superior because we always give the benefit of the doubt to the loser, even if the loser happens to be a bloody tyrant. (The rules governing losers are not the same as the rules governing winners.) Our first concern is never physical safety, victory, national security, all those unintelligent Republican concerns; it is always the fine points of the policy that is justifying the attempt at physical safety, victory, national security — because we are intellectuals.”

I know a wealthy liberal woman who is prepared to allow four million New Yorkers (hypothetically including her daughter) die in a nuclear attack without any retaliatory measures being taken unless we can be absolutely certain who killed them and unless we can be absolutely certain that our retaliation will not kill innocent civilians¹. The unspoken words of her argument are all too obvious to those with ears to hear: “See how understanding, how tolerant, how forgiving I am. Oh, surely I am among the exceptional!”

Conscientious Objectors and Apostles of Non-violence

The conscientious objector needs the safety of the society in which he is a conscientious objection in order to be what he is. But this society sometimes has to defend itself against enemies that haven't the slightest tolerance for conscientious objectors. And thus this man of peace is able to enjoy his high-flown opinion of himself and of his beliefs because others are willing to do his dirty work for him.

I have never heard an apostle of non-violence so much as mention Orwell's essay, “Reflections on Gandhi”. Michael N. Nagler's *Is There No Other Way?: The Search for a Nonviolent Future*² contains no reference to it in its index. And yet it would seem that anyone advocating non-violence must first and foremost reply to what Orwell says in that essay:

...there is reason to think that Gandhi, who after all was born in 1869, did not understand the nature of totalitarianism and saw everything in terms of his own struggle against the British government. The important point here is not so much that the British treated him forbearingly as that he was always able to command publicity. As can be seen from the phrase quoted above, he believed in “arousing the world,” which is only possible if the world gets a chance to hear what you are doing. It is difficult to see how Gandhi's methods could be applied in a country where opponents of the regime disappear in the middle of the night and are never heard of again. Without a free press and the right of assembly, it is impossible not merely to appeal to outside opinion, but to bring a mass movement into being, or even to make your intentions known to your adversary. Is there a Gandhi in Russia at this moment [1949]? And if there is, what is he accomplishing? The Russian masses could only practise civil disobedience if the same idea happened to occur to all of them simultaneously, and even then, to judge by the history of the Ukraine famine, it would make no difference. But let it be granted that non-violent resistance can be effective against one's own government, or against an occupying

1. She also believed that the only difference between President Bush and Saddam Hussein was that Bush had to answer to an electorate. Otherwise, Bush was every bit as evil a force in the world as Hussein.

2. Berkely Hills Books, Berkeley, Calif, 2001.

power: even so, how does one put it into practise internationally? Gandhi's various conflicting statements on the late war seem to show that he felt the difficulty of this. Applied to foreign politics, pacifism either stops being pacifist or becomes appeasement. Moreover the assumption, which served Gandhi so well in dealing with individuals, that all human beings are more or less approachable and will respond to a generous gesture, needs to be seriously questioned. It is not necessarily true, for example, when you are dealing with lunatics.

Underlying all belief in non-violence is the belief that we can influence the world with our feelings. "If I think kindly of my enemy — if I try to understand him and forgive him — then he will think kindly of me." But the sad truth is that we cannot bribe reality with our feelings, and nothing is more self-defeating than the vanity of believing that we can.

Three Types of Hypocrite: Libertarians, Conscientious Objectors, and Isolationists

The reason these are hypocrisies is that they can be advocated only if someone else is doing the dirty work of providing the circumstances under which they can be advocated. This includes government defending citizens from attacks by other nations (so that conscientious objectors have the freedom and security to object to war), and government carrying on the interactions with other countries that are necessary to maintain the economy.

I won't repeat here the usual arguments against libertarianism, but I will ask libertarians to point to countries in which, in the libertarians' opinion, there is sufficiently little government. If there are no such countries, then I will ask libertarians to specify, *in detail*, what sufficiently little government would be in any country they care to consider, and then to explain, *in detail*, why the citizens would feel better off than they would be if there was more government.

I would ask similar questions regarding isolationism: can the proponents point to countries that are sufficiently isolationist in the proponents' opinion? If not, then can they describe, *in detail*, what if any contacts with the rest of the world, a sufficiently isolationist country would have?

What Libertarians Seem Not to Understand

Let us assume that, say, five small banks decide to relax their minimum qualifications for mortgagees, the banks' plan being to sell lots of mortgages, then bundle them and sell the resulting products on the open financial market. Assume that, because most of the new mortgagees are unable to maintain monthly payments on their loans, and because housing prices fall rapidly, the banks are forced into bankruptcy. If no other banks have adopted similar risky policies, should the government have prevented the five from doing so? I think that many thoughtful people who are *not* libertarians, would nevertheless agree with the libertarians here and say No. Just as the government should not prevent foolish people from gambling away money they can't afford to lose.

But now suppose that instead of just five banks, many banks — in fact, most banks, including virtually all of the largest — adopt the above-described risky policies, with the result that the nation, and in fact many of the advanced countries in the world, are brought to a state of near financial collapse. Should the government have prevented them from doing so? I think that the vast majority of thoughtful people would say Yes.

So limiting the role of government to that of merely preventing one individual from interfering with the freedom of another, is a naive goal. At the very least, the role of government must include the limiting of *many* individuals from interfering with the freedom and, yes, the security, of other individuals, and determining just where the line is to be drawn is by no means a simple matter.

For example, the vast majority of libertarians are opposed to gun control. And the truth is that, in the history of the U.S., there have been no times when all gun owners united in an attempt to kill all non-gun-owners. It is true that an individual gun owner may use his or her gun to kill another person, gun owner or not, but that is not deemed a sufficient reason to deny gun ownership to all citizens. (However, those who oppose gun control should be reminded that about 13,000 Americans (apart from those fighting in foreign wars) are killed each year by pistols and other guns — an amount *each year* that is almost three times the *total number* of Americans killed in the Iraq and Afghanistan wars as of 2011.)

Libertarians also argue that government should exert no control over the marketplace — that the marketplace is “self-regulating” (although somehow it failed to be that in the years leading up to the Great Recession in 2008 — and, for that matter, it also failed to be that in the years leading up to the Great Depression in the 30s). Here, too, libertarians ignore the question of numbers. We can easily imagine circumstances, or cite them from history, of healthy competition flourishing and producing excellent products as a result (the early years of the computer industry are an example). However, as history also shows, in an unregulated marketplace, some companies can become so much larger than others that they are able to sell their products at cheaper prices than those of start-up companies — even if that means temporarily selling their products at a loss. Which they can do because of their much greater financial resources. Probably the most familiar example is the Rockefeller empire in the early years of the 20th century. It is hard to imagine how, once a few companies in effect gain control of the marketplace, other entrepreneurs will ever be able to challenge them. I would be willing to bet that computer models of unregulated competition among business enterprises that are initially all of the same size, will show that sooner or later, only a few very large enterprises will remain.

Finally, we must ask each libertarian what one of the oldest, most competitive activities in the world is. Answer: sport. And each sport is regulated by a very clear set of rules which are rigorously enforced by usually objective referees during each game. So the argument that regulation stifles competition, is simply, blatantly, false.

The wise rule, albeit one that is exceedingly difficult to implement, is: government should regulate those activities in which there is a reasonable likelihood that, if unregulated, they will result in the limiting of freedom and security of large numbers of the population.

African-Americans

In the sixties, it was often said that *any criticism at all* of black behavior by whites was motivated by an underlying fear that blacks would start taking jobs from whites. But if such criticisms were motivated by that fear, then surely it would be directed against Asians, who were, and are, in a far better position to take jobs from whites, particularly on the West Coast. Can anyone seriously imagine that we beleaguered whites in the cities, especially those of us living on the edge of the ghetto, would be *depressed* if we woke up one morning and found blacks on the street speaking business English and giving every sign that they were far more interested in doing well at school and on the job, than in begging in the streets, mugging us, and burglarizing our houses?

“African-Americans make up an eighth of the population, but they occupy about half the places in American prisons. This figure, as Michael Tonry, the author of *Malign Neglect* and a professor of law and public policy at the University of Minnesota, writes, ‘greatly underestimates’ the vast disproportion of blacks, particularly young black men, caught up in the criminal justice system.

“In 1990, of every 100,000 whites in the US, 289 were in prison; of every 100,000 blacks, there were 1,860 in prison. Jerome Miller, a social worker and former head of the juvenile justice detention systems in Massachusetts and Illinois and author of *Search and Destroy*, reports that in Los Angeles in 1991, nearly one third of black men in their twenties had spent some time in jail. In Baltimore in 1992, nearly one third of black men aged eighteen to thirty-five were either imprisoned, in parole, out on bail, or had warrants out for their arrest. Young black men are also disproportionately victims of violence. Elliott Curie, a criminologist who teaches at Berkeley, cites a study by Donald Schwartz of the University of Pennsylvania medical school showing that over a four-year period, 40 percent of young black men from inner-city neighborhoods in Philadelphia ‘suffered a violent assault serious enough to send them to a hospital emergency room.’

“...in Randall Kennedy’s words, ‘relative to their proportion of the population, blacks are more likely than whites to commit street crimes.’” — Lemann, Nicholas, “Justice for Blacks?”, in *The New York Review of Books*, Mar. 5, 1998, p. 25

“...Kennedy’s most vehement disagreement is with Paul Butler, a law professor at George Washington University who is the country’s best-known advocate of jury nullification by blacks, and a frequent guest on national television shows. In a criminal case with a non-violent black defendant, Butler believes, black jurors should find the defendant not guilty because ‘the decision as to what kind of conduct by African-Americans ought to be punished is better made by African-Americans themselves.’ Kennedy sees this as a strategy not only guaranteed to fail, but dangerous: ‘If a sufficient number of people were to follow his proposal...conditions might be brought into existence that would make his caricature of American society a self-fulfilling prophecy.’ His main objection, though, is based purely on principle:

‘The implications of Butler’s theory for American race relations are staggering. If it were believed and acted upon, his conception of the responsibility of blacks would impose upon African-Americans a disability from which they were free even during the era of slavery: the disability of being perceived as people wholly devoid of moral choice and thus blameless for purposes of retribution, the same way that infants, the insane, and animals are typically viewed as morally blameless.’ — *ibid.* p. 28.

The following observation applies to ghetto blacks as much as it does to the majority of Palestinians:

“It is not, as Abba Eban said, that the Palestinians never miss an opportunity to miss an opportunity. It is that in always feeling victimized they fall back on blaming everyone for their predicament. It is never their fault. History may not have been kind or fair to the Palestinians. They have suffered and been betrayed by others. They are, surely, the weakest player with the fewest cards to play. But by always blaming others, they never have to focus on their own mistakes. And that perpetuates the avoidance of responsibility, not its assumption.” — Ross, Ambassador Dennis, letter to the editors, *The New York Review of Books*, Sept. 20, 2001, p. 90.

I invite all those who think that all that is holding the Palestinians back is their lack of a state, to ask themselves the following question: suppose that, tomorrow, the situation of the Palestinians and the Israelis were reversed. That is, suppose that the Palestinians were given all of Israel, intact, and the Israelis were given Gaza and the other Palestinian territories. What would Israel and the territories look like ten years from now? It seems to me that it takes a naiveté bordering on stupidity to believe that the Palestinians would be flourishing and the Israelis would be living as the Palestinians do now. On the contrary, just the opposite would be the case: the Israelis would be flourishing in the old Palestinian territories, having built schools and started farms and other businesses, while the Palestinians would have succeeded in turning all the old Israeli farms and businesses into a shambles, and converted the Israeli universities into schools for teaching Islam and terrorism.

The reason why the Israeli/Palestinian peace talks continue to fail, year after year, is that the last thing the Palestinians want is *no more excuses*. If a settlement is reached — if a two-state solution is finalized — then the Palestinians will have to settle down to the one activity they fear more than anything (even war), namely, building a modern society: establishing homes and schools and businesses and hospitals and infrastructure, including water and sewage and electrical systems, giving up suicide bombings and the firing of rockets into Israel. For a backward, ignorant, unintelligent, wretched people to have to do this under any circumstances is a daunting challenge. To have to do it next door to one of the most extraordinarily achieving nations in the world, is all but impossible. Far better to live in the dirt and violence, constantly blame the Israelis for all this misery, and at least have, year in, year out, the most valuable resource of all, namely *excuses*.

“If we are not succeeding, it’s someone else’s fault.” This is the poison — far more than racism — that is responsible for the continued failure of so many blacks in this country. (And the liberals bear a major responsibility for instilling it and encouraging it.) It can be applied to explain any misfortune: “Stokely Carmichael...said [that the prostate cancer that would eventually kill him] was given to me by forces of American imperialism and others who conspired with them.” — *San Francisco Chronicle*, “‘Black Power’ Movement Leader Stokeley Carmichael Dies”, Nov. 16, 1998, p. A7.

“Has there ever been another country *in the world* that has done as much for one of its minorities as this country has done for the blacks in the past 40 years? We have spent *billions* of dollars trying to help them. That’s *thousands of millions* of dollars! They talk of reparations. Holy Christ! They’ve already had their reparations, many times over. It was called welfare.

“I know of idealistic young Jews in New York City and elsewhere who have thrown over high-paying careers in the professions in order to devote their lives to trying to educate black ghetto kids — or, to put it more succinctly, who have decided to pour their lives down the rat-hole of black education. I know of other white people who, after retirement, donate a certain amount of time each week to try to teach math or reading to these kids. I know of a high school that in the nineties even brought in radical black Marxist teachers because that is what the kids said they

needed. (The dropout rate is still 60% among black students at that school.)

“And what do we get for all this? A big fuck you. In Berkeley, and I’m sure elsewhere, a black student who does his homework and tries to learn in school — gets the shit kicked out of him, not by whites but by other black students, because he is ‘acting white’!

“And yet we still listen to the liberals and continue to pour in more money to this bunch of savages who have so far learned only one thing from the millions that have been spent on them: how to use all the liberal explanations of why they aren’t succeeding, as excuses for avoiding the hard, dull, year-in, year-out work that every minority in this country has had to put in, in order to succeed.

“Here is all we owe them or any other minority: (1) after-school tutoring, at tax-payer expense, in the basics — reading, writing, and arithmetic — so that they can do well on tests and graduate from high school: no affirmative action, no Black Studies, no 2 and 2 makes 5, or 6, or 100 if you’re oppressed, just the basic stuff you need to get a diploma and graduate and go to trade school or college or get a job; (2) bulletin boards throughout each school with pictures and brief life histories (no addresses, of course) of black graduates *of that school* who have succeeded in finding a trade or profession and earning a living; (3) strict enforcement of the anti-discrimination laws. And *that’s it*. That’s all they get. It is more than we ever gave to any other minority in this country. If it’s not good enough, then let them live with the consequences. And if they don’t like the consequences, and continue to rob and assault and murder people, then these fuckers go to jail, even if they are teenagers, and yes, I will be glad to give some of my tax dollars to build more jails if necessary.” — S. f.

S. f.’s simple, no-nonsense, plan might be called One Way Out. It sends a message to the black community that bitching and moaning and blaming the white man and waiting for racism to end, is not the way to pull themselves up in this country. One Way Out says, if you want to succeed, you have to do what every other successful minority in this country did. Take it or leave it.

Questions for liberals: why is laboring in the fields good enough for Latinos but not good enough for American blacks? Why is it that in towns where there is any chance for manual day labor, Latinos are seen waiting on street corners eager for such work, but never blacks?

A cottage industry has sprung up in the academic world, its purpose being the denial of the existence of race. For example, “Race has no biological reality,” says Jonathan Marks, a Yale University biologist. “In the social sense race is a reality. In the scientific sense, it is not,” according to Michael Omi, a specialist in ethnic studies at the University of California at Berkeley. (Both quotes are from “Scientists: Idea of Race is Only Skin Deep,” by Robert Boyd, Miami Herald, Oct. 13, 1996, p. 14A, and were quoted on the Internet by Richard McCulloch.)

One of the arguments for this latest product of the multicultural Party line is apparently that the genetic difference between the various races is “negligibly small”. But the genetic difference between humans and chimpanzies is also very small (less than 1%), and yet we do not claim that there is no difference “in reality”.

The Party line is that once the denial of the existence of race has become generally accepted, the races will be free to intermarry, so that, in the long run we will evolve toward a single, loving

race.

“Once social outcasts because of their defiance of social conventions, interracial people can and must now be leaders in preparing our nation for the future. We are truly one people, a merging of those who believe in a colorblind society, who are willing to act on those beliefs in the things that matter most. Now is the time to step forward, to be counted, and to show what a Loving American really is.” — Ward Connerly

An insight into what is really going on here can be obtained by asking who is in favor of the denial of the existence of race, and who is not. The answer is all too clear. Those who are not succeeding in the modern world, and who blame it on the color of their skin, want to deny the existence of race. Those who *are* succeeding, seem far less inclined to do so. (The academics who support the cause typically belong to the have-not fields (e.g., the humanities) and as usual see themselves in the have-nots of the world.)

If the color of your skin marks you as above all as a person of no distinction, in fact in most cases as a born loser, then yes, it is understandable that you will look forward to the day when this badge of shame will be worn by all, in particular, by those you hate, namely, the successful.

The boundless vanity of scientists who study race and race relations is revealed in their bold proclamations that there are no racial differences in, e.g., intelligence (What wonderful people scientists are!) without accompanying these claims with explanations for the raging incompetence of blacks throughout the world in managing their lives, in performing in the professions, in governing themselves in countries in which they have long held leadership positions (e.g., Haiti, which gained independence in 1804, and Liberia, which gained independence in 1847). To say that the explanation is that blacks the world over have been “deprived”, that they have “never had the opportunities” that others have, is merely to point to their inferiority, since many other peoples have suffered from the same afflictions and eventually managed to figure out how to prevail in spite of them.

The raging incompetence of blacks is all-too-evident evident in the apparent inability of African blacks even to recognize the importance of controlling population.

“In a quarter-century, at the rate Nigeria is growing, 300 million people — a population about as big as that of the present-day United States — will live in a country the size of Arizona and New Mexico. In this commercial hub, where the area’s population has by some estimates nearly doubled over 15 years to 21 million, living standards for many are falling.

“...in a typical apartment block...whole families squeeze into 7-by-11-foot rooms along a narrow corridor...”

“Nearly all of the increase [in African population] is in sub-Saharan Africa, where the population rise far outstrips economic expansion. Of the roughly 20 countries where women average more than five children, almost all are in the region.

“Elsewhere in the developing world, in Asia and Latin America, fertility rates have fallen sharply in recent generations...” — “Nigeria’s Population Is Soaring in Preview of a Global Problem”, *The New York Times*, Apr. 15, 2012, p. 1.

Political incompetence is equally evident:

“Of the 17 African nations that are commemorating their 50th anniversaries of independence this year [2010]... few have anything to truly celebrate...Buttressed by the legality and impunity that international sovereignty conferred upon their actions, too many of Africa’s politicians and officials twisted the normal activities of a state beyond recognition, transforming mundane tasks like policing, lawmaking and taxation into weapons of extortion.

“So, for the past five decades, most Africans have suffered predation of colonial proportions by the very states that were supposed to give them freedom. And most of these nations, broke from their own thievery, are now unable to provide their citizens with basic services like security, roads, hospitals, and schools.” — Englebert, Pierre, “To Save Africa, Reject Its Nations”, *The New York Times*, June 12, 2010, p. A19.

And yet we see again and again the disgraceful refusal of academics to see firsthand the reality they write so learnedly and copiously about. Is it possible that professors whose careers are, in effect, built on the fantasy that their theories are improving the black situation in this country when, in, fact, the theories amount to little more than the finding of excuses for black behavior they wouldn’t tolerate for five minutes in their own families — is it possible that even these less-than-bright pundits could maintain their views if every day they were forced to spend, say, twenty minutes observing the black students during lunch hour at Berkeley High School? The young men in doofus clothes, holding their crotches, the girls screeching at one another, the language of both sexes betraying not a trace of nine or more years of schooling. After millions of dollars spent the drop-out rate for blacks is still at 60%. But to be seen in such venues would mean that the deep thinker prefers reality to theory, when everyone knows that what is needed is more research, more papers, more ... understanding.

If there is any proof at all that blacks are inferior in intelligence to whites and Asians, it has nothing to do with IQ tests or SAT scores, but rather with the fact that, fifty years after the start of the civil rights movement, the vast majority of lower class blacks still believe that the problem is not their refusal to work hard in school, to get jobs (any jobs) and save their money and not have kids they can’t afford to raise properly, but rather that the fault is the white man’s racism. Clinging to this belief is the real mark of black intellectual inferiority.

But another mark is the bizarre turning to Arab/Islamist culture by many American blacks, this despite the fact that for centuries, the worst enslavers of blacks in Africa were Arab Islamists, and despite the fact that, for years in the early 2000s, genocidal attacks on black natives were carried out by Arab militant groups. Eric Hoffer called attention to this strange behavior of American blacks:

“Equipped with firearms, the Arabs [in the second half of the 19th century] looted ivory, grain and cattle [in Central Africa], made slaves of the able-bodied natives, burned villages and wantonly killed those who did not escape into the bush...

“During the 1860s, seventy thousand slaves were sold annually in the Zanzibar slave markets. It has been estimated that for every slave who reached the coast at least ten died of hunger, exhaustion, and disease. The Arabs killed the slaves who lagged behind...

“David Livingstone [the British explorer] called the Arab slave trade, ‘this open sore of the world.’

“To an American there is poignancy in the fact that in the early 1860s, when the depredations of the Arabs were gathering momentum, hundreds of thousands of American soldiers died or were maimed to abolish Negro slavery in the United States. Yet many black Americans feel a greater affinity with the descendants of Arab slavers than with American forefathers who fought one of the bloodiest civil wars in history to set the Negro free. How is one to explain this paradox? The answer generally given is that the Arab world has no Negro problem despite the fact that more black slaves were brought to Arab countries than to the North American continent.

“For some obscure reason, American blacks find it easier to identify themselves with past masters than with those who champion their cause.” — Hoffer, Eric, “Black Studies”, in *Our Time*, Morrow Quill Paperbacks, N.Y., 1977, pp. 74-75,

Executions

Let me begin these remarks by stating that I am against capital punishment, the reasons being that it is cruel, that there is no evidence that it reduces crime, and that DNA testing has revealed all too many cases in which innocent men and women have been condemned to death, largely because of incompetent legal representation.

The question I raise is a simple one: why does it take so many people, and such elaborate apparatus, to execute a person? Consider the gas chamber execution of Barbara Graham as portrayed in the film, *I Want to Live*. In China, the job has been done by a single person, who fires a bullet into the back of the head of the kneeling condemned. As far as we know, the physical pain is no worse than that associated with hanging, electrocution, beheading, gas, or lethal injection. This practice is being superseded by lethal injection.

My tentative answer to the question is that it is an attempt to remove human responsibility from the killing. The guards and attendants and officials and the priest or minister are merely doing a job, a job that has been declared necessary by the state (which is not a person). The long-drawn-out legal process, the setting of a date and time, add to the “objectivity” of the event. No one looks the condemned in the eye, then raises a gun and shoots him or her in the head. In most executions, the condemned is blindfolded, or in any case does not look at the executioner. If the executioner did in fact walk up to the condemned, who was standing and facing the executioner without blindfold, and the executioner then raised a pistol, aimed it at the eye of the condemned, then pulled the trigger, the shocking barbarity of the act would be all-too-apparent.

An Immigration Policy

An immigration policy I could advocate is the following:

(1) Grant amnesty to the estimated 12 million illegal immigrants from Latin American countries.

(2) Build a high fence all along the border with Mexico. Include electronic monitoring gear to detect sounds of tunnelling. Since we have so far been incapable of doing this ourselves, hire Israelis to show us how to do the job right.

(3) Have a clear idea of what the long-term goals of the policy are. For example, a country has a perfect right to set limits to the proportion of each ethnic group in the overall population. No country is obligated to open its doors to the poor of other countries just because these people are poor. A country has a right to maintain its dominant culture, and doing so does not make the country “racist”. (The main reason I am for limiting immigration from Latin America is that I do not want to live in a Latin American country, even though I know from personal experience how hard-working most Latinos are. But I fear large numbers of immigrants from a culture that, unlike the Jews’ and the Asians’, lacks a tradition of excellence.)

The next question, then, is, but how shall we deal with the vanity of limitless tolerance — the vanity of those who believe that the entire country must pay, in one way or another, for the good feeling these individuals derive from welcoming the poor and downtrodden of the world? One answer is to expand the existing system of sponsors: make the immigration law be as follows: if there is room for additional immigration from a given culture (“room” meaning, while maintaining the pre-established proportion of that group in the overall population), then each immigrant must find a citizen of the U.S. to act as his or her sponsor. The sponsor must repay all money that the immigrant is convicted of stealing, and must provide room and board if the immigrant is unable to provide these for himself.

The Cities

“I don’t believe we can be an advanced society without cities.” — Kunstler, James Howard, *Home from Nowhere*, Simon & Schuster, N.Y., 1996, p. 57.

“The problems of the cities are not going to be relieved unless the middle class and the wealthy return to live there.” — *ibid.*, p. 54.

“If there is any frontier left in America today, it probably exists in the vast amounts of underutilized, reclaimable real estate of our towns and cities. While the upper class occupies certain urban neighborhoods, other enormous districts stand virtually abandoned. While the water and sewer lines may need updating, the infrastructure of streets and building lots already exists, and in a physical form that is emphatically much more civic than suburbia. These vacant wards beg redevelopment and present tremendous business opportunities.” — *ibid.*, p. 56.

Racial and Ethnic Profiling? Of Course!

It is a measure of the power of the loser culture in the U.S. that racial and ethnic profiling is continually attacked as a form of prejudice. Yet anyone who is capable of thinking rationally must realize that profiling is the only way that police forces can intelligently allocate scarce resources. If a minority, e.g., blacks, commits far more crimes proportionately¹ than another

minority, or than the white majority, then it is common sense for police to implement stop-and-frisk policies primarily on blacks. The same holds for persons who have Mid-East Muslim looks and names.

Losers are forever finding excuses, forever trying to explain away facts. “The proportion of blacks in prison is far higher than the proportion of whites”, the implication being that that shows how blacks are discriminated against. But perhaps it shows that blacks commit more crimes!

How to Fight City Hall

If you live in the lower class section of a city like Berkeley, Calif. — namely, a city with a corrupt government that is in the pockets of developers and some of the large corporations — you are forced either to spend a significant part of your life fighting the deprivations of that government into your neighborhood, or else resign yourself to the deterioration of your neighborhood (and your property values) and, possibly, to increasing health risks, e.g., from ever-increasing numbers of cell phone towers.

Some of the details of my own experience will be found in the section “Fighting City Hall” in the first chapter of Vol. 4 of my autobiography, *Genius Without Genius*, on the web site www.thoughtsandvisions.com. In this section, I would like to discuss why citizens continue to be so ineffective in their efforts to fight corrupt local governments, and to suggest some means for remedying the situation.

Why Are Most Protests So Ineffective?

In a nutshell, most protests¹ are so ineffective because protesters are not very bright, at least about the activity of protesting. If they were, then, at the least, they would make a point of finding out what has proved to be effective in practice — they would either have accumulated a body of lore based on experience in their own and other similar cities, or else assign someone to do the research at the very start of their movement. Unfortunately, such research is regarded as a waste of time.

Typically, the situation is (1) a small group of citizens becomes aware of a threat to their neighborhood; (2) they call a meeting; with very few exceptions, there is no agenda for the meeting, no person who has the responsibility for running the meeting, no recognition that limits need to be set on the amount of time each topic is discussed — rather, everyone feels their task is to talk as much as possible about what they consider to be important; (3) out of an hour or two of non-stop talking, a few tasks are assigned to participants: typically writing letters to local newspapers and/or city officials; showing up at other meetings; and holding demonstrations. Since no one is taking notes, follow-up on the tasks depends on who remembers what at the next meeting. And on it goes.

Is There a Better Way?

1. Most blacks who are murdered, are murdered by other blacks.

1. But definitely not all. In South Berkeley, the Le Conte Neighborhood Association has been unusually successful in stopping the worst excesses of the city government.

There is a better way but it takes those rarest of qualities among grass-roots activists, intelligence and self-awareness. Here are my suggestions, based on long experience.

Begin with the recognition that most people in a neighborhood are asleep regarding political matters and do not want to be awakened. So it is a waste of time to try to “educate” neighbors with boring, multi-page reports of what has been going on. People are not interested. If you are going to hand out flyers of any sort, then assume that neighbors will not spend more than five seconds reading them, and that if there is not something immediate to be done — make a phone call, write an email, vote for a specific candidate in an imminent election — your effort will have no effect. A flyer needs a single dramatic title aimed at the personal interest of the neighbor — “Your Property Values Are About to Take a Hit!” — and then a few sentences about what the city is up to, and then phone numbers and/or email addresses. One side of one sheet. Big type, amply spaced. End of story.

Groups need a leader. Periodic elections can be held to insure that an initially-chosen leader who proves unsatisfactory can be replaced. The leader needs to be the only person dealing with lawyers and any other individuals or businesses that are in a position to charge for work done. (One Berkeley group allowed three or four of its members to discuss an upcoming lawsuit with a lawyer. The group was then shocked to discover that the lawyer had tried to do what each person had recommended, and then charged for his work!) The leader needs to write the agenda for each meeting, with specified time limits for each topic, and then run the meeting in accordance with the agenda.

All members of the group need to face squarely the fact that the kind of work that must be done is boring and time-consuming, and that therefore it is a waste of time to assign tasks that will probably not get done, but instead to divide up tasks as much as possible so that each person assigned a task can be expected to complete it. Follow-up must be a routine part of successive meetings.

When fighting corporations, never forget the power of boycotts, especially in this Internet age. It is remarkable how activists are blind to this strategy. It may be difficult to get a boycott started, but in liberal cities like Berkeley, it is easier than elsewhere, where hatred of capitalism and of large corporations can be exploited. “Boycott Verizon! The company is killing Berkeley citizens for profit via high concentrations of cell-phone towers. Call this number ... If you use Verizon, tell them you will be cancelling; if you don’t use Verizon, tell them you never will, and that this boycott is spreading nationwide.”

Find out as much as you can about the personal lives of the enemy, e.g., mayor and City councilpersons. What does each person love? What do they hate? What do they fear? Most important, what are their vanities? Send Christmas cards (Hanukkah cards if they are Jewish) to those politicians who are still on the fence regarding your issue. Throughout the year, praise them via email or letter or card for anything they do that favors your cause. Sympathize with them: “We are only too aware of the terrible pressure you are under at the hands of the corporations. Please know how much we appreciate your resisting their efforts to make you a mere tool in their greed for ever-higher profits.” Tell those who are opposed to you that you and your neighbors and a growing number of citizens will actively work *against* their next election if they vote against your neighborhood’s interests, but that you and others on your side will work *for* their next election, including contributing money, if they support your cause.

Always carry a sign when you attend city meetings. Otherwise those in charge will have no idea why you are there.

Never forget that indefinite delay is victory! Encourage city politicians to take more time to consider the situation — have another study done: no need to rush to a decision! No need to face the unpleasant reaction of the opposition. Table the matter for now! Do further research!

Last but certainly not least: read Saul Alinsky's *Rules for Radicals*, which is available in the used-book market, e.g., via abebooks.com. Especially the chapter, "Tactics".

Improving the Political Process

"If the Founding Fathers came back today, they would all move to England." — S.f.

To paraphrase Mencken, No one ever lost an election underestimating the intelligence of the American voter. Yet sooner or later the American voter will have to understand that, in the modern world, ignorance and stupidity are not enough — voters need to be as knowledgeable and discriminating in politics as they are in sports.

We long ago abandoned the idea that only male property owners should have the right to vote. But anyone who is appalled by the stupidity of the American voter cannot help but wonder if there shouldn't be *some* qualification for voting besides being registered. An obvious one is: the passing of a test of common sense and, perhaps, of some minimum knowledge of how American government works — say, the minimum knowledge that is required on citizenship exams. As far as common sense is concerned, some of the questions should certainly be along the lines of, "True or false: because the first duty of state and federal governments is to provide ever-increasing benefits to the people, and since taxes hurt the people, these benefits should be provided without ever raising taxes," and "How much more than a million dollars is a billion dollars?" and "True or false: if a political candidate is handsome, has a nice smile and a wife and children, and gives good speeches, you should vote for him over a candidate who lacks one or more of these qualities." Etc.

Anyone who thinks I am underestimating the intelligence of the American voter should, at the very least, make up a test, or have one made up, that the person believes is a fair test of that intelligence, and then give it to randomly selected voters from the middle and lower class.

Compare the knowledge and intellectual capacity of the average voter at the time of the Revolution, relative to the issues he had to vote on, with the same now. The Founding Fathers may well have had second thoughts about their plan for a government if they had any idea how extraordinarily complex and numerous the issues that voters would have to decide on in the 21st century, would be in contrast to the issues they would have to decide on in the latter part of the 18th century.

But there is a solution to this problem, and that is for voters to simply follow the recommendations of organizations that represent their values. In other words, let the organizations do the research that is now beyond the resources of the overwhelming majority of voters. Thus, at least in Northern California, pro-environment voters can go to the Sierra Club web site and obtain recommendations for most state and local candidates and referendums. Newspapers typically make a few, but not sufficiently many, recommendations. It would be especially valuable to blacks if they knew of pro-black web sites that would tell them the candidates and issues to vote for in each election, but I am not optimistic that a majority of blacks would be able to grasp this approach to voting, much less be able to find out the appropriate web sites and access them.

Of course a last resort as far as political offices are concerned, is for the voter always to vote a straight party ticket.

Countless hours of political speeches and debates could be eliminated via the following simple procedure: (1) Make a list of the major categories of expenses with which the office in question is concerned, e.g., in the case of the Presidency this list might include: national defense, welfare, administrative costs, public works, scientific research, health, education, payment on the national debt. (2) Ask each candidate to specify the percentage of income (e.g., taxes, in the case of a public office) he would spend on each category, and publish these figures in national news media. (We should be prepared for some candidates' percentages adding up to more than 100.) Each candidate would be free to change his figures throughout the campaign, but each time the new figures would be published. In the case of identical percentages, the categories would be broken down to sub-categories and the process repeated. (3) Place each candidate's final figures opposite his name on all ballots.

A related idea would do wonders for stopping politicians from keeping their constituents in a perpetual fog regarding expenditures vs. taxes. Nowadays there are available at the corner computer store, and online, various programs that present numerical data in various easy-to-understand visual forms, e.g., partitioned rectangles, with a different color for each type of expenditure or source of income, and the actual dollar amounts clearly shown. All that is needed is one rectangle for income (broken down by category), and one of the same height, and employing the same scale, for expenditure (broken down by category). Changes in estimates can be reflected the moment they are typed in. If expenditure exceeds income, then the expenditure rectangle can be shrunk (with height remaining constant) until its length is the same as that of the expenditure rectangle. The necessary reduction in each category of expenditures becomes immediately obvious. The technique can be applied recursively, so that each income or expenditure in the top-level rectangles can in turn be broken down into their constituent incomes or expenditures in lower-level rectangles, and these in turn broken down, as necessary.

Since it is unlikely the politicians themselves will hasten to implement such a revealer of what they are actually saying, it is up to the nation's journalists to do it: to make a commitment to their viewers and readers always to show these graphics whenever televising a debate on the budget, whenever interviewing politicians who are leaders in the current budget debate, whenever reporting on the points of view expressed in Congress or the Senate or by the President and his staff. I don't say that a significant percentage of the nation's voters understands such charts at the moment, but I do say that if these graphics became part of news culture and were displayed and

referred to at least, say, once a week throughout the year, the understanding would slowly develop.

A way to put an end to the gridlock over the state budget that seems to occur virtually every year in California is to pass a law that says simply that, if the new budget is not approved on time, legislators will not be paid until it is approved. The legislature would never pass such a law, but in California there is a referendum process that would allow voters to get a proposition on the ballot that, if passed (and passage would be virtually certain) would become the desired law.

(In the summer of 2011, California Controller John Chiang apparently was able to institute a rule of no pay for legislators if they didn't pass a budget by a certain date.)

Despite what the voting public likes to believe (because it gives them an excuse for not going to the trouble of voting) no two political candidates are *ever* "the same". In fact, for years we have possessed the means of showing the differences to the voter, namely, by the simple expedient of keeping records of all the decisions and in-office votes cast by each candidate. (It is rare that a non-incumbent candidate for an important office has never held any political office from which such data can be derived.) These records can then be weighted to place the candidate in the political spectrum. But if we can do that, then we can do the voter a favor and simply ask him or her to specify where on the political spectrum he or she would like the government to be. The rest — i.e., the choice of candidates — can be done automatically, e.g., by computer, through best-fit algorithms that are used every day in business and science. The voter need only select a point on each of several continuous scales running from, say, 0 through 10, with 0 representing "maximally undesirable to me" and 10 representing "maximally desirable to me", the scales being titled with issues of importance to voters, e.g., in the case of a national election, "Continuing the Present War", "Balancing the Federal Budget", "Preserving National Forests", "Increasing the Number of Police and Prisons", "Spending More on Education", etc. The "we" who are going to provide this service need not, in fact should not, be the government, but instead a private company which might earn healthy profits by selling the service to voters at election time.

Long overdue research project: investigate the difference between the choices voters actually make when voting on propositions, changes to laws, etc., and the choices they think they make. Certainly the language on the ballots — "Shall Provision 139.5 of ... to deny veto override by ... in the case of ... be repealed?" — not to mention in voters' pamphlets, is much more difficult than, say, that of the daily newspaper (probably more difficult than most books), and many voters have difficulty even understanding the daily paper. My speculation is that at least one-third of the time, voters vote for the opposite of what they think they are voting for.

We continue to hear about the decline in voter turnout throughout the country. It is now below 50% even in major races, and down in the 35% range for non-major races. Attempts are being made to bring the percentages back up. But the declining rates are not a problem at all: they are simply the weeding out of unqualified voters! Most people I know who vote in every election, at least attempt to make wise decisions. Those who don't vote are usually ignorant of the issues and

the candidates. Hardly anyone in the black ghettos bothers to vote, not even when black candidates are on the ballot. How are we to interpret this other than by assuming that blacks are saying to the rest of us, “We are willing to hand over the decisions in these matters to those who feel they are better qualified.”

I never encourage people to vote because I know that if present trends continue, one of these days I am going to be the only one who turns up at the polls, and then we are going to start doing things my way.

The Financial Impact figures on ballots and in voters’ pamphlets attempt, rightly, to give the voter an idea of what a given proposition or change of law will cost the state or local community. But there is no way for a voter to assess how much, e.g., an increased annual cost of \$20 million to the state, will mean to the voter him- or herself. Furthermore, providing an estimate of the percentage increase in his or her taxes is probably not of much use either, given that (a) the average voter probably doesn’t remember how much s/he paid in taxes six months previous, and (b) the average voter is not too clear on what “percent” means anyway. Yet “how much will it cost me?” is probably the most important question the voter can ask.

All of which raises the important question of how propositions and changes of law should be written if the aim is to make sure that what the voter votes for is in fact what he or she wanted to vote for. Clearly, one goal should be to use the simplest vocabulary and sentence structure possible — certainly no more complicated than that used on TV. (It would be a good idea to hire advertisers to help with the writing.) Among other things, this would mean eliminating self-cancelling negatives. Another should be to express financial costs as clearly as possible in terms of what it will cost each voter. A proposition to build more prisons might be expressed, on the ballot, “Should California build more prisons if the cost to you is no more than \$.50 (fifty cents) out of each \$100 you have left after you pay your income taxes?” A proposition to repeal a law that denies veto override ... should be expressed, on the ballot, in terms of its *effect*: “Should ... be allowed to prevent (i.e., to veto)...”

“What Can Each of Us Do, As Individuals?”

This question has become no longer really a question but an expression of the hopelessness that individuals feel about doing anything significant on their own to solve some of the major social and political problems of our time. The belief is that only massive action by governments will accomplish anything, and such action will come way too late, if ever.

But one reason the question is no longer a question is that usually there is no way of finding out, reliably, what would happen if most individuals were to perform a given action. Also, there is no single resource where we can find a well-thought-out list of things that would make a difference. It would seem that both these obstacles can be overcome. Let me here list just a few things that, at present, individuals can do that would make a significant difference if most individuals did them. The fact that some of these things will be familiar to readers does not invalidate their effectiveness. Keep in mind that this is not an all-or-nothing proposition. If you can only do a few, then do those. If you can only do one, then do that one.

Practice Slow and Gradual Driving — i.e., drive slowly, avoid rapid accelerations, coast as much as possible, e.g., when approaching red lights or stop signs. Various studies suggest that if

most drivers followed these simple rules, gas consumption would be reduced 15%-30% — far more than the amount that offshore oil drilling on the East Coast was predicted (2010) would reduce our demand for foreign oil.

Each month, drive less than you did the previous month, even if that is only one mile less.

Save at least the amount of your income, regularly, that competent experts recommend that you should save. An important question here is: what, at any given time, is the *optimum* savings rate? Individuals cannot determine this on their own, but it seems that economists could. The optimum rate would be the one that would most likely improve the country's economic well-being at a given time.

Recycle everything you possibly can. That includes all bottles, cans, newspapers, plastic bags, plastic containers, and cardboard. And all scrap metal, including jar lids, bits of wire, broken pieces of metal, and all plastic, including plastic bags¹ — there are recycling centers (e.g., the one in El Cerrito, CA) that will take materials that others will not. Save everything and wait till you find a recycling place that will take it. The more things you recycle, the greater will be the incentive for someone to find profitable uses for them. “A big enough pile of almost anything is worth money” (source unknown to me, but possibly one of the co-founders of Urban Ore in Berkeley, CA).

Buy fluorescent light bulbs and low-energy-consumption appliances after checking that in fact the low-energy-consumption claims are valid (see news reports in spring 2010 about fraudulent claims in this area).

Only use toilet paper made out of recycled paper.

If you use a toilet that no one else uses, then don't flush after every urination, or even after ever two or three. (It is not unsanitary to do this.) You save an average of five gallons each time you don't flush.

Boycott firms that you feel are acting irresponsibly and make sure you tell them that you are doing so, and that you are trying to get others to do so as well. In my experience, this has been a remarkably effective technique. At the time of this writing there is a web site, boycott.org, which seems to have the right idea. I assume the creators of the web site have familiarized themselves with the laws against boycotts, and the penalties for violating those laws, and ways to get around the laws.

Boycott Chinese products, especially children's toys, that are known to contain harmful substances. Some of the better toy outlets on the Internet, e.g., Fat Brain Toys, show country of origin with the information on each toy.

Move your money from big banks that have been guilty of irresponsible behavior, into smaller banks. (The “Move Your Money” trend that began in early 2010 is an example.)

1. If no one accepted plastic bags at stores, the plastic bag makers would go out of business. We do not have to wait for governments to act.

Never ever read or reply to spam.

Buy organic food, shop at local farmers' markets when possible. Otherwise, buy it, when available, at supermarkets.

And last but certainly not least, *don't vote for politicians who don't have your best interests at heart.* I am utterly baffled by the eagerness of those who have been hit hardest by unemployment and rising health care costs, to vote for the politicians (Republicans) who are determined to block all potential remedies to these problems.

Elementary Questions To Promote the Fight to Save the Planet

Answers to the following questions would seem to be relatively easy to obtain by experts in the relevant fields. I think we will be amazed at some of the answers.

1. Suppose every driver in the developed countries practiced Slow and Gradual Driving, as described above. What percentage reduction in annual oil consumption, and in tons of carbon dioxide emitted, would result?

2. Suppose every household in the developed countries recycled all paper, cans, bottles, plastics, electronic devices, and organic waste. What percentage reduction in landfill would result? How much would this reduce ocean pollution by discarded plastic? What percentage of reduced energy consumption by industry would result, and what percentage reduction in annual oil consumption, and in tons of carbon dioxide emitted, would this be equivalent to?

3. Is it possible to plant sufficiently many trees worldwide so that they would be able to prevent any increase in carbon dioxide in the atmosphere? If so, how many trees would have to be planted in each of the developed countries?

One source on Google asserts that an area of new trees the size of Texas would be enough to prevent any increase in carbon dioxide each year. But another source (*Scientific American*) reminds us that when trees die, they release carbon dioxide back into the atmosphere. The virtual elimination of all deforestation worldwide would reduce to a very small amount what is now the second leading cause of atmospheric carbon dioxide.

4. Suppose all toilet paper in the developed countries were made out of recycled paper. How many trees would that save, and how many tons of carbon dioxide would those trees remove from the atmosphere each year?

5. Suppose that every person in the developed countries who had sole use of a toilet, flushed only after every five urinations. How much water would that save per year?

Health Care

A question that needs to be addressed is, "How much would our broken health care system be improved if information on health care needs were always instantaneously available?" For example, suppose that a person without health insurance, or with too little health insurance, contracts a

serious disease. Suppose the person could go online to a single, well-known web site and enter, say, his or her age, financial situation, illness, years of residence in the region, and a few other facts, and immediately get a list of places (including those practicing alternative medicine) that at that moment might offer affordable and reliable treatment to him or her. (Every effort would be made by the owners of the web site to provide accurate information as to the effectiveness of each treatment, including alternative medicine treatments.) Thus the person would be spared the anxiety and uncertainty and labor of having to search for “the right doctor”.

The above question can be asked for any social service. For example, suppose that an elderly person with virtually no savings is in need of a place to live. The truth is that in metropolitan areas like the San Francisco Bay Area, there are institutions that at times have openings for such people. The problem is that there is no rapid, much less reliable, way for the person to find out what these are. Some are connected with churches, some with city and county governments, some with ethnic communities. Suppose the person could go online to a single, well-known web site and enter, say, his or her age, financial situation, illnesses, years of residence in the region, and a few other facts, and immediately get a list of places that at that moment might have an opening.

The Recession

.Where To Begin

As I remarked above in the section “The U.S. Government”, unlike China, virtually all of our politicians and administration officials are former lawyers. In China, on the other hand, many are former engineers, and know how to think about non-legal problems. This includes knowing how and when to employ *top-down thinking*, which is a kind of *successive approximation* (both terms are alien to the dim, word-bound legal mind). So in considering the budget deficit, a competent thinker would begin by asking the two basic questions, namely, “What is the national income estimated to be next year?” and “What are the national expenses estimated to be next year?” These questions come first, long before the ferocious infighting that characterizes modern political so-called discussion. The answers to these questions then make it possible to know what the estimated budget deficit will be next year — specifically, by what percentage p national expenses will exceed national expenditures. The competent thinker then considers the two extremes: make up for the shortfall entirely with new taxes, or, on the other hand, make up for the shortfall entirely with cuts to existing budgets. Our thinker will, of course, know that political realities will prohibit either extreme, and so he or she will utilize the computer to come up with various tax-increase/budget-cut options that have some chance of being passed.

This is a rational approach to the problem. It is what any technically-trained person would do. Therefore, it is an approach that we never hear or read about. Hence our ongoing government paralysis.

When attempting to solve difficult problems, beware the legal mind!

A Possible Way to Alleviate the Credit Crisis

(Written in January, 2009)

One problem with giving money to the banks is that it is difficult to know what the banks do with it. Even when questioned directly, as they were in winter 2008-9, the banks have been reluctant to provide any details as to where the money went. Since any law and any government pro-

gram is no better than the government's ability to monitor the results, and since the government cannot create thousands of knowledgeable bureaucrats overnight, we must try to make use of existing information channels. One of these is tax returns. I propose that the government say to the banks, "For the time being, all profits you make from loaning money on home mortgages, car purchases, and to businesses, will be tax free." The bureaucracy, namely, the IRS, is already in place to investigate suspected cheating. This proposal has the additional advantage of containing a clear profit incentive.

Of course, the plan could be modified if necessary if the no-tax incentive were not enough to overcome the banks' reluctance to loan money in the midst of deep recession. There is certainly ample data available so that the government could compute, for any total amount of money it was prepared to give to the banks, the maximum percentage of losses that the government could afford to reimburse, in addition to the zero-tax guarantee.

It is hard to believe that this plan would not be better than simply handing out money to the banks and hoping they use some it for loans.

A Possible Way to Stimulate the Economy

It is generally agreed that one of the most important ways to stimulate the economy is by increasing consumer spending. One simple way to do this would be via a lottery each month that would reimburse the winners for certain purchases they had made that month — cars, TVs, houses, say. Each purchaser would fill out a simple, one-page form and send it to the government. If the form were randomly chosen (there could be more than one random selection in each category, of course), the government would verify that the purchase had indeed been made, then send the buyer a check for the full amount of the purchase.

The chance that a car or TV or house might turn out to be free, would, I think, motivate a significant number of people to buy, especially since the American public's knowledge of the laws of probability is essentially nil.

A Way to Create Jobs

As the number of devastating wildfires and mudslides increases each year, an obvious way of providing jobs for the unemployed — certainly thousands of jobs, nationwide — would be to have the unemployed plant trees and other vegetation in the afflicted areas. In the case of mudslides especially, the sooner this is done, the better, since vegetation helps prevent future mudslides. This is a job that could be done even by the functionally illiterate, of which there are a large number in the U.S.: "A May 2011 study by the Detroit Regional Workforce Fund found that 47 percent of adult Detroit residents, or about 200,000 people, are functionally illiterate..."¹ Furthermore the work would have obvious long-lasting benefits.

I had thought of also paying the unemployed to patrol areas where fires were likely to start, with bonuses for each fire that was reported in time to be extinguished before it had burned out of control, but then I realized that the incentive would be too great, for those likely to take these jobs, not to have accomplices set fires so they could be reported and the bonuses earned.

1. Friedman, Thomas L., and Mandelbaum, Michael, *That Used To Be Us*, Farrar, Straus and Giroux, N.Y., 2011, p. 222.

A Question on Printing Money

We know the economics adage that “printing money increases inflation”, and we know that the extreme example in modern times occurred in the Germany in the 1920s, when people had to use wheelbarrows to carry the bills needed to buy a loaf of bread.

Suppose the government has a deficit, as ours does. Suppose it prints \$100 in order to, say, help extend payments to the long-term unemployed. Will that increase inflation? Probably not. Suppose the government prints \$1,000. Will that increase inflation?

The question then is, How much money could the government print, over a specified period, such that the government could have reasonable confidence that inflation would not increase beyond a specified rate? It is hard to believe that economists could not come up with a reasonable estimate of what that amount of money would be. If it turned out to be too much (inflation rose beyond the specified rate) it could print less during the next period.

This would not solve the deficit problem, but it would help a little. It is, in effect, free money for the government as long as inflation stays within the desired bounds.

“What Could We Do With \$300 Million a Year?”

At the time of this writing (August, 2011) there are about 300 million people in the U.S. Suppose each person contributed \$1 to something called, say, the “Fund for the People”. (Parents would contribute for their children.) It would emphatically *not* be a government fund! It would be managed by a trustworthy, public-spirited person like Elizabeth Warren, the Harvard professor who created the Consumer Financial Protection Bureau in 2010, and was prevented from becoming its director by the Republicans.

What could we do with that money?

There are at present 435 members of the House of Representatives and 100 Senators. If we divide \$300 million by 535 we get \$560,748. That means that we could contribute that amount of money to *each* member of the House of Representatives and to *each* Senator to get them to pass the legislation we wanted.

For example, in the first year, the money could be used to pay members of both Houses to pass a strong financial reform bill — one that would restore the most important provisions of the the Glass-Steagall Act of 1933, which separated investment banking and commercial banking, strengthen as necessary the provisions of the Sarbanes-Oxley Act of 2002, which was aimed at preventing the kind of abuses that led to the Enron scandal, and strengthen the Dodd-Frank Wall St. Reform Act of 2010.

The Fund would notify the members of the two Houses: “Each of you who votes for the bill as it stands will receive a check for \$560,748 ‘for your next campaign’. Change the bill, water it down, and you get no money.”

Our annual \$300 million could buy an equally strong bill *each* year to deal with major crises facing the nation.

Thoughtful readers will point out that special interest groups could easily outbid the Fund — they could offer, say, \$750,000 to each of the members of the Houses who vote against the Fund’s legislation. So we must ask if there are other ways that the Fund could use its money. We may recall NY Mayor Michael Bloomberg’s gift, in June, 2011, to the Sierra Club campaign to shut down coal-burning plants. As far as financial reform is concerned, a careful study would be

needed to determine all the ways that the reform might be instituted. How many Democrats would have to be elected in each of the two Houses? What campaign expenditures would virtually ensure their election? What committee chairmanships would enable the Fund to get its legislation before the two Houses? How could pro-Fund Congressmen and Senators obtain those chairmanships? Etc.

Or, the truth may be that \$300 million a year is simply not enough to do anything important.

“I pledge allegiance to the Banana Republic of America...”

Let Financial Criminals Buy Reduced Sentences

I can think of no better way to get financial criminals — like those associated with Enron, and like Bernie Madoff and many others — to give back the maximum amount of money they are capable of than the following: (1) they are given long prison sentences, e.g., 30 years or more, and then (2) are told that the sentences will be reduced in proportion to the percentage of the stolen money they return. “Pay it all back, and you serve a year. Pay half of it back, and you serve half your sentence,” etc. I’m sure it would be amazing the effect that such a policy would have on the memories of these criminals — the considerable funds they “forgot” were under the mattress, or in accounts in obscure banks, or in property that somehow was omitted from trial records.

A Step Toward Alleviating the Greek Financial Crisis

We often hear that tax avoidance in Greece is notorious, and is in fact a significant reason for the country’s debt crisis. A step toward solving this problem would be if the government simply passed a law laying down severe penalties — years in prison — for tax avoidance, with the following provisions: (1) all citizens would be given a grace period of, say, six months from some specified date during which they could pay their back taxes without penalty, and (2) the prison terms of citizens found guilty thereafter of tax avoidance would be reduced in proportion to the percentage of their back taxes they paid. Payment in full would eliminate all remaining prison time, payment of half the amount owed would reduce prison time by 50%, etc.

Economics as Academic Discipline

Economic Theories Change What They Purport to Describe

Part of any economic or political model must be rules that define how a problem changes in accordance with what is said about the problem. In particular, every economic model must include itself as part of the economy it is modelling, and therein lies the heart of the problem.

“Let us imagine that a portion of the soil of England has been levelled off perfectly and that on it a cartographer traces a map of England. The job is perfect; there is no detail of the soil of England, no matter how minute, that is not registered on the map; everything has there its correspondence. This map, in such a case, should contain a map of the map, which should contain a

map of the map of the map, and so on to infinity.” — Royce, Josiah, *The World of the Individual* (1899), quoted in Borges, Jorge Luis, “Partial Magic in the *Quixote*”, *Labyrinths*, New Directions, 1964, pp. 195-196.

“The theories of social science relate to their subject matter in a reflexive manner. That is to say, they can influence events in a way that the theories of natural science cannot...In the social sphere, theories have a capacity to alter the subject matter to which they relate. Economic theory has deliberately excluded reflexivity from consideration. In doing so, it has distorted its subject matter...” — Soros, George, “The Capitalist Threat”, *The Atlantic Monthly*, Feb. 1997, p. 50.

Economics Is Not a Science

Economists, like all pseudo-scientists, operate according to the rule: if my theory is tested, and the results are what it predicts, then I am right. If the results are otherwise, then the experiment wasn't performed correctly. I have not been proven wrong. Thus the insufferably smug arrogance of economists like Milton Friedman.

Consider the textbook, *Econometric Models and Economic Forecasts*, by Robert S. Pindyck and Daniel L. Rubinfeld.¹ A student told me in February 2009 that at least one of the authors had refused to talk about why the techniques in this book didn't predict the economic meltdown that began in late 2007. Since it had been published in 2000, it is reasonable to suppose that there were more than a few economists in the world who applied its techniques to various problems. The mathematics is well-established. But what good is a forecasting technique that fails to forecast such a catastrophe? (I sometimes feel that these methods are only very good at predicting the past.) Imagine that astronomers had failed to predict that a certain asteroid — one that was easily within the resolving power of current telescopes — would strike the earth. Assume that an investigation determined that there were no errors in the programs implementing the mathematical techniques for predicting such occurrences. Certainly this would be regarded as a scandal in physics or astronomy. New textbooks would be issued very soon. And so it is legitimate for us to ask of the authors of the above textbook and similar ones, What exactly do your theories predict? If you can't specify clearly, before the fact, what types of occurrences your theories do *not* apply to, what good are your theories, regardless how sophisticated their mathematics?

The Student's Prayer: Please, God, let the teacher give me the same benefit of the doubt as the world gives to economists.

It would be an eminently worthwhile project to determine just what percentage of U.S. economists — in particular, economists at the best schools — can reasonably be said to have predicted the financial collapse of 2008. (It is almost not worthwhile investigating the University of Chicago, since the ideology of the numbskulls who controlled the Economics Dept. was a major reason for the collapse.)

1. McGraw-Hill, NY, 2000

A question that every economist-to-be should be forced to answer at some point in his graduate education is: “What would a correct — a scientifically valid — economics theory ‘look like’? What would establish it as being correct? How would the theory be applied in the world?” We may imagine that, among other things, such a theory would yield (as a number) the probability of financial return for any proposed business or investment. But then we immediately see that such a theory could not be a theory in the sense of a theory in physics, or medicine, because the context for any given set of circumstances can change unpredictably: in physics, it is highly unlikely that the law of gravity will suddenly change, and in medicine that the physiology of the human body will be found suddenly to be different in a patient (“different” as opposed to unusual), but in economics, it is not at all unlikely that an assassination, or a terrorist attack, or a change in public taste, or an economic downturn in another part of the world, would be unforeseen by the economic theory at any given time. Also, the mere existence of a correct economic theory, and its application by people throughout the world, might soon render it invalid because of the change in economics that would result from the existence of the theory. “Something that everyone knows isn’t worth knowing.” — Bernard Baruch

“Economic Man” and “Efficient Markets”

The absurdity of most assumptions that economists make has been pointed out countless times. Consider, e.g., the following two:

(1) Economic man is an “imaginary ‘perfectly rational person’ who, by always thinking marginally, maximizes his or her economic welfare and achieves consumer equilibrium. The usefulness of this concept lies in the theory of consumer behavior that (more often than not) real people function like this fictional entity” — BusinessDictionary.com

But there never has been, and never will be, a living example of economic man. Nor have I ever seen or heard of any scientific studies that show that, in fact, “real people function like this fictional entity”. How would such studies be carried out? What would be regarded as evidence confirming the theory?

(2) “Market efficiency is the idea that the financial markets price every asset correctly. There is no sense in which a share can be a ‘good buy,’ because the market has already taken all available information into account. — *The Princeton Companion to Mathematics*, ed. Gowers, Timothy, Princeton University Press, Princeton, N.J., 2008, p. 910.

It is virtually meaningless to speak of market efficiency without specifying what “efficiency” means in this context — that is, without specifying how long on average, and by what mechanisms, markets require to take into account all available information (microseconds, minutes, hours, days, weeks?) and without even mentioning that information travels at different speeds in different segments of the market — much faster among the financial elite than among ordinary investors.

If “there is no sense in which a share can be a ‘good buy,’ because the market has already taken all available information into account”, then how are we to account for the insider trading that is practiced so skillfully, and profitably, by Washington politicians? Are we to seriously believe that the likes of Robert Rubin¹ and Larry Summers² and Tim Geithner³, in the early

2000s, before and during the Great Recession, had no advantage over ordinary investors, because “there is no sense in which a share can be a ‘good buy’”?

But we shouldn’t be surprised at the unsoundness of an idea that came out of that citadel of hide-bound conservative political and economic ideology, namely, the University of Chicago.

The efficient-market hypothesis was developed by Professor Eugene Fama at the University of Chicago Booth School of Business as an academic concept of study through his published Ph.D. thesis in the early 1960s at the same school. It was widely accepted up until the 1990s, when behavioral finance economists, who had been a fringe element, became mainstream... Empirical analyses have consistently found problems with the efficient-market hypothesis, the most consistent being that stocks with low price to earnings (and similarly, low price to cash-flow or book value) outperform other stocks... Alternative theories have proposed that cognitive biases cause these inefficiencies, leading investors to purchase overpriced growth stocks rather than value stocks... — Wikipedia, “Efficient-market hypothesis”, Jan. 31, 2012

(Lest you think my contempt for University of Chicago economists is unjustified, I would remind you that, as Paul Krugman reported in his *New York Times* column, economists at the University claimed, in the face of growing unemployment at the start of the Recession, that it wasn’t unemployment at all, but rather that workers had simply decided to take some time off and relax.)

Economists often reply to such criticisms as I have made by comparing their discipline to physics, and arguing that even though there is no such thing as, e.g., frictionless movement of objects in the real world, whether in air, or water, or on land, nevertheless, the equations of physics based on the assumption of frictionless movement, usually provide very close approximations to the actual behavior of these moving objects. The problem is that deductions based on economic assumptions do *not* provide close approximations to the behavior of economic systems in the real world.

Suggestions for Improving the Discipline

A question that every professional economist should ask early and often in his career, but that I strongly suspect is almost never asked is: “What can economics reasonably hope to accomplish in our time?”

Among the many reasons why we should maintain a healthy contempt for academics in the fields of economics and education is their universal reluctance to experience first-hand the reality which they profess to be experts in. It is nothing less than a scandal that a person can earn a Ph.D. in these subjects, and win a guaranteed lifetime position on the faculty of one of our most prestigious universities, without once working in an industrial (or any other) company, or without spending time in a classroom of lower middle-class students. I know of a case at one of the

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1. Treasury Secretary during both Clinton administrations (1992-1999)
 2. Treasury Secretary in Clinton administration (1999- 2000); Director of the White House United States National Economic Council in Obama administration (2008-2010)
 3. Treasury Secretary during Obama administration (2008-2012)

nation's leading universities in which a promising young professor of education came very close to being denied tenure because it was discovered that he had spent time sitting in on grade school classes in the area.

Elsewhere¹ in this book I ask what I believe is an important question, namely, *What does it mean to be brilliant in the humanities?* Accordingly, I now I ask, *What does it mean to be brilliant in economics?* Every economist-to-be should be forced to answer at some point in his graduate education the question: "What is a great economist?" In other words, "Which economists of past and present do you believe deserve to be called *great*, and, more important, why?" (For me, there can be no doubt that Keynes was a great economist.)

What is the difference between an outstanding economist and a mediocre one? The criteria by which I would judge any economist would include his or her answers to the following questions:

- What are the principle classes of problems that are posed by the subject of economics?
- How clearly are economists aware of these classes of problems?
- What percentage of the total time that economicists spend on their subject, do you estimate they spend on trying to solve these problems?
- What can economics, at the present time, hope to do acceptably well?

One such class of problems, of course, concerns the accuracy of data, the correctness of statistical techniques used — do the numbers represent what they claim to represent?

Another class concerns the inferences that can be drawn from the data, which can be summarized as questions aimed at avoiding *post hoc ergo propter hoc* fallacies — did employment increase because of increased education or because of an upturn in the economy? Here again, most questions may boil down to ones regarding correct application of statistical techniques.

Another class of questions concerns models — what mathematical structures represent this or that informal model we have of such-and-such economic phenomenon? I must hasten to point out here that there are at least two types of economic model: one type is designed to help investors make profits in the financial markets (this type is now (February 2009) regarded with contempt as a result of its share in the economic meltdown); the other type is merely an ongoing representation of the economy itself. It merely tells us *what is*. We can imagine, say, a Big Board, in which the flow of money between banks and businesses and homes and government is graphically represented. The model could be queried. Obviously, the computer makes such a model at least feasible. I sometimes have the impression that such a model does not exist, even at this late date, and that instead the data is strewn about in various economists' heads, in papers and reports and specialized computer data bases.

Finally there is the class of questions concerned with criteria for deciding what the current consensus is among answers to the other questions, which can be best exemplified by imagining a looming world economic crisis which national governments must prepare for. There are many

1. In the chapter, "The Humanities, section "Truth and the Humanities"

conflicting theories among economists as to what is to be done. Should the heads of the nations choose among these on the basis of their long-held political beliefs, or should the record of predictions of each economist in the past be used to weight their opinions at this time? (Why isn't such a record published, as a matter of course, along with the economist's academic degrees and affiliations?)

The encomiums of Milton Friedman after his death in November, 2006, are a prime example of the naivete that rules the world's, including the academic world's, view of economists. Here was a man who proclaimed himself a libertarian and who was convinced that monetary policy was the only reliable way to control a nation's economy, and that otherwise the less interference by the government in the economy, the better, a view that received a major refutation in the near-collapse of the deregulated U.S. financial system in 2008. In interviews in the years before his death, he said he wanted to be remembered for his "technical work" and for his influence in promoting freedom. What does "technical work" mean? What does it mean for an economist's technical work to be remembered? It would seem that technical work can be broken into two main categories: analyses of the economic forces of a given period, and economic models. The question is not "Were his analyses correct?" because at least at this stage of the discipline, there is no objective basis on which to construct an answer. As for economic models, these can be dauntingly complex, requiring the most advanced mathematics of the time they were created. Assuming that the model is consistent and contains no mathematical errors, the only important question we can ask is, "How closely did and does it conform to economic reality, and how good are its predictions?"

In interviews, Friedman liked to mock the socialists and communists for never having created societies that work, and yet he never named, because none existed, a single country large or small that could be said to run on libertarian principles.

And yet he won a Nobel Prize. Why?

In the absence of a grand economic theory that actually works (within statistical limits) *what's left?* Are the discussions that are written for the educated-layman press anything but a demonstration of how skillfully most economists can avoid facing the importance of the above classes of questions?

A basis for economic theories: consider all the types of economic data that are routinely recorded: unemployment, GDP, money supply, inflation rate, balance of payments, budget deficit, national debt, U.S. budget, and numerous others. In this age of the computer, it is possible to compare each pair of these types of data and do correlation analyses, and then to find those pairs with the closest correlations over various periods. The question is: why shouldn't such an analysis be the required basis for *any* economic theory of the future? What is the difference between such an ongoing analysis and an economic theory?

Perhaps the best that economics can do is keep a record of things that went wrong in a given economy in the past — Depressions, "stagflation", real estate collapses, large-scale bank collapses, high unemployment, etc. —, along with the likely causes of each, and what fixed the problem in each case. Thus, e.g., it is reasonable to assert that the Glass-Steagall Act of 1933, which required the separation of investment banking and commercial banking, prevented the kind of bank collapses that occurred in 2008 — some nine years after Glass-Steagall was repealed by the

Gramm–Leach–Bliley Act (1999). So one informal “law” of economics might be: keep investment banking and commercial banking separate.

Another “law” might be: in times of high unemployment, increase, rather than reduce, government spending. (The reduction of government spending in 1936-37 is often cited as a reason for the sudden slowing of the recovery from the Great Depression that had been taking place.)

Still another “law” might be the importance of keeping minimum margin rates on stock purchases sufficiently high (allowing them to become very low, or even go to zero, is often considered a major cause of the Great Depression). Similarly, allowing zero or near-zero down payments on house purchases is usually considered a major cause of the 2008 collapse of the real estate market.

Economic “theory” then becomes simply a set of rules, based on past experience, of what not to do in order to achieve desired economic goals.

Unfortunately, it is unlikely that academic economists would ever regard such a set of rules as sufficiently “theoretical” to justify a PhD, so this idea will almost certainly go nowhere within the economics community.

We must not overlook stupidity as an economic factor. Surely in the 1920s there were economists, or at least responsible financial thinkers, who saw the risks in the whirlwind buying of stocks at margins as low as 10%. Certainly these thinkers were aware of the “law”: the price of no commodity can continue rising forever — in other words, the “law”, bubbles burst! The fact that neither the government nor the stock-buying public paid any attention to this “law”, was not a failing of economic theory.

Similarly, the fact that the mostly-Republican followers of that tower of economic thought, Ayn Rand, were naive enough to believe in the fantasy of self-regulating markets, and therefore had no compunctions about repealing the Glass-Steagal Act, is not an indication of the weakness of economic theory, but rather of the power of stupidity in high places.

What if economists’ salaries were tied to the success of their theories? Thus, e.g., all those economists who stuck to the Party line about the value of unregulated markets would, after 2008, have been forced to take, say, a 1/3 cut in salary.

It is important that we distinguish between economics books that set forth theories and those that merely give reports, however sophisticated, of how things are in one or more countries. The latter amount to meter readings, or, in the language of the computer age, digital readouts. They only have long-term value if they succeed in having the particular variables they discuss, added to those reported in the ongoing digital readout. For example, nowadays, we would think it a little odd if someone wrote a book that, in effect, did nothing more than report, in long-winded academic prose, the GDP for a period of years. We would say, correctly, “That is the kind of thing you can look up!” In other words, regarding this particular matter, we have outgrown the need for the warmth and the hand-holding consolation that prose provides. Similarly for many other parameters of the economy whose frequent updating and public availability we now take for granted, e.g., those having to do with the stock market, manufacturing, sales, inventory, the money supply, etc. The only thing we lack is a simple means of accessing any or all of this infor-

mation quickly. We still need to do low-level “research” to find (1) what the totality of this information consists of, and (2) where we can look up the individual items.

I suspect that the size and number of new economics books could be significantly reduced if publishers forced authors to state, in the prospectus, (1) what new parameters for the ongoing economic database of which countries the author is proposing, and (2) why the parameters are being proposed.

The only remaining questions, then, are: Is the data representative? Is the data base working properly? Is there any missing data? Is the inference engine working properly?

Similar remarks apply to sociology.

In the social sciences, including economics, a great deal of the effort that goes into Ph.D. theses and papers for the learned journals, is simply gathering a type of information which is normally dignified by the phrase “facts to back up a theory”. But even if the author is skillful enough to convince others that his facts *do* back up his theory, these facts will probably be obsolete even before his thesis or paper is published, which then forces others with an interest in his subject either to accept his theory on the basis of that one “proof”, or to continue gathering the same kind of fact in order to continue to check the theory. But gathering information, and organizing it and correlating it and presenting it in various ways, is now something that computers can do. So that at least one kind of thesis or paper in the social sciences amounts to nothing more than the assertion, “if you continue to gather this kind of information, and perform these inferences on it, the conclusion will fall within the specified range”. In other words, it amounts to nothing more than a proposal that certain kinds of meters (or, as we now say, digital readouts) be established and maintained — that a pot containing such-and-such ingredients be put on the stove among all the other pots, and allowed to simmer.

It is extremely important that, whenever we read anything in economics and, in particular, investment theory, we separate mathematical virtuosity from things that actually work. A good formula for winning a Nobel Prize in economics is: invent some mathematics that is only comprehensible by PhDs, and that would have modelled the real world in certain very restricted circumstances in the past.

“Linkman... ‘Well, there’s the first election result and the Silly Party have held Leicester. What do you make of that, Norman?’

Cut to Norman. He is very excited.

Norman... ‘Well, this is largely as I predicted except that [the other] party won.’” — Chapman, Cleese, et al., *The Complete Monte Python’s Flying Circus: All the Words*, Pantheon Books, N.Y., 1989, p. 261.

We should keep in mind that *one* model of reality is always reality itself. Thus one model of a nation’s economy is the economy itself. In certain cases, it might in fact be far quicker to implement a policy and see what happens rather than attempt to adjust an existing computer model or program a new one.

What does the path of a single dollar bill (or five-dollar bill, etc.) through the economy tell us about the economy? Would we learn anything interesting by randomly selecting new bills at the government printing office, recording their serial numbers, and then notifying all banks and other participating institutions of these numbers so that the path of these bills could be followed?

Clearly, at any given time there are spending and saving patterns which, if followed by the American people, would do them more good in the short and/or the long run, than others. Therefore it would be in their interest for the government to provide incentives for conforming to these patterns. It might be argued that this is already being done via interest rates, but is that the whole story? Wouldn't a whole package of incentives that changes over time to match current economic conditions do an even better job of compelling — or, rather, encouraging — the American people to do what is in fact best for them? (No people with as little comprehension of the importance of saving — no people so willing to saddle the young and middle-aged with the burden of supporting them in their old age — can be said to know what is good for them, and should be encouraged in their ignorance.)

“If x is done, y will result.” But in economics, y is always *two* predictions: one is about the measureable changes which will occur (e.g., in income, expenditures, birthrate), and the second is about how the people concerned will feel about it, and, more important, what they will do about it. One can be perfectly right about the first, and dead wrong about the second.

One way of measuring the potential strength of a country's economy is by how much *slack* it has — how many easily accessible alternatives it possesses for meeting the needs of its people. Thus, e.g., in a technologically advanced country like the U.S., the equivalent of billions of dollars of oil and gas has been “created” through such simple expedients as designing more energy efficient buildings and cars. Recycling not only relieves the problem of waste disposal but also “creates” resources which didn't exist before, e.g., from aluminum scrap. (“A big enough pile of almost anything is worth money.”) And anyone who is appalled at the ever increasing prices of clothes and furniture should make a visit to a few second-hand stores, where prices are often one-fifth or less those in department stores, and where the cleanliness and attractiveness of displays, as well as the variety of goods, are sometimes not far from those of department stores.

Importance of Rules-of-Thumb

We must not overlook the usefulness — the value — of rules-of-thumb. Perhaps it is precisely the modern attempt to place economics on a firm mathematical basis that is making economics less useful than it might be. *Perhaps rules-of-thumb are the best the subject can offer!* Following are a few examples. The question for each is: has this rule been valid, *in general*, for the past, say, 100 years? These rules are *not nothing* just because they are merely general rules, and are stated in plain language, and are by no means always correct.

Economics Rules-of-Thumb

When demand increases, prices tend to increase, when demand decreases, prices tend to decrease.

When supply increases, prices tend to decrease, when supply decreases, prices tend to increase.

When a nation's currency loses value, its exports tend to increase (prices to foreign buyers decrease). When a currency gains in value, exports tend to decrease.

Printing more money encourages inflation.

As interest rates rise, the demand for stocks tends to decrease.

Tariffs imposed by one country tend to elicit retaliatory tariffs, thus driving up the cost of goods.

In a recession, unemployment is a lagging indicator (of recovery).

There are times when massive government spending, even if it increases the national debt significantly, is necessary to reverse an economic downturn. [J. M. Keynes] Fiscal conservatism at such a time is wrong.

De-regulated markets are not always self-correcting. (Just as all sports games have referees, so all stock markets should have regulations that are strictly enforced.)

The government's failure to enforce rules that an economic theory states *should* be enforced, does not invalidate the theory.

Financial Rules-of-Thumb

It seems appropriate at this point that I mention the following. For those who say that such rules do not assert financial *facts*, I reply that if a rule can be shown, statistically, to produce a desired result (e.g., modest gains in one's financial holdings), then that is indeed a fact.

Always diversify investments.

If it sounds too good to be true, it probably is.

“The four most expensive words in the English language are: ‘This time it’s different.’” — Sir John Templeton

Prices in any market, including real estate, will never rise forever.

In the stock market, buy when everyone else is selling, sell when everyone else is buying.

Never buy a stock or bond about which you know nothing.

Never buy stocks or bonds on margin.

When interest rates increase, the price of bonds tends to fall. When interest rates fall, the price of bonds tends to rise.

Avoid variable-rate mortgages.

In buying a house, follow the rules that were applied in the real estate market up to at least the 1970s, namely, that the down payment must be at least 25% of the value of house, and that the monthly mortgage payment must not be more than 30% of the purchaser's income.

If you are not comfortable maintaining your own investments, then try to find an investment firm with the following characteristics, and consider giving it part of your money to manage:

- has a proven track record over at least 50 years;
- has successfully handled the money of people you know and trust;
- diversifies investments among known stocks;
- issues monthly reports through a separate reporting agency of known integrity (what swindler Bernard Madoff's firm never did);
- charges only a fee that is a percentage of the investor's portfolio value.

Always save at least 10% of your gross income. Always.

Don't have a credit card unless you are able to pay the entire monthly balance each month without fail.

Judging Capitalism

In times of financial crisis in the U.S., the failure of capitalism and the desirability of socialism are discussed, if the uninformed ramblings of the typical participants can properly be called a discussion. Marxists in particular brush aside any suggestion that the capitalist system can be improved, even though what we call "capitalism" — especially as it exists in Scandinavia, Switzerland, Britain and Canada — is remote indeed from what existed in Britain and the U.S. in the 1800s.

It is always worthwhile to ask what *caused* the various financial crises — or perhaps I should say, what would have significantly decreased the chances of each crisis occurring. Let me consider two cases. In the 1920s, certainly the buying and selling of stocks with little or no money down was a major cause of the Great Depression. In the late 1990s, certainly the repeal of the all-important Glass-Steagal Act, which up to then had curbed speculation by banks, and then in the early 2000s, the tolerating, even encouraging, of corrupt mortgage practices, were major causes of the Great Recession.

Although Marxists like to say that those who participated in these activities cannot be blamed because they were forced to do what they did by the capitalist system, I think that is nonsense. Laws could have been passed in the '20s to require adequate down-payments on stock purchases

(such laws were passed after the collapse). The right-wing fantasy that unregulated markets are better than regulated ones, and that markets are “self-correcting”, could have been countered by a sufficiently intense national campaign aimed at keeping Glass-Steagal. The mortgage scandal could have been halted by courageous economists and politicians calling attention to the recent dot-com bubble, and to the fact in general that prices *never* keep going up forever, for any commodity.

“We are helpless. The system controls us,” puts the crooks in charge and dooms any economic system.

On Picking Stocks

It is often said that stock pickers seldom do as well as index funds.

Consider: we can use statistics to predict the lifespan of large groups of human beings. This is what insurance companies do. Similarly, we can use market data to arrive at preferences for classes of stocks (high tech looks good, utilities look bad, etc.). In neither case are we making predictions about individuals.

But suppose we are able to afford all sorts of medical equipment and experts. Then, given an individual human being, we can probably arrive at a fairly reliable prediction of his lifespan.

Now let us ask a related question, What is the body of knowledge that enables employees of hedge funds to pick stocks so successfully? In the case of, say, the computer industry, we know that there definitely is a body of knowledge that enables companies to prosper: it is what is taught in engineering and computer science courses. But what is the equivalent in the investment industry? My answer is that there is no equivalent: what makes hedge funds successful is the quality and quantity of information in which all employees are submerged each day. One need only consider some of the extremes, for example, the ongoing payments to insiders that were made over the years by the hedge fund SAC Capital Advisors, until the government began investigating in 2012. But insider trading is not an either/or proposition. Which items in the daily swirl of information in any hedge fund or portfolio management firm are instances of insider trading, and which are not, is hopeless to determine. A tone of voice, a hesitation in a response to a question about a company, may or may not convey factual information about the financial prospects of the company.

The daily reality of life in the investment world should in itself be a sufficient disproof of the efficient market hypothesis.

Why Does Shopping Have to Result In Bringing Stuff Home?

Consumer spending accounts for close to 70% of GDP, so not to be a consumer is not to contribute to economic welfare.

On the other hand, there are people (I am one) who are compulsive hoarders, and hate it, even though we buy very few products compared to most Americans.

So why can't we shop with an option not to actually take home any products. (“Will you be not taking home the new TV, sir?” “Right. So no need to wrap it.” But we would pay for it in order to do our duty to the economy.

Suppose the government had a requirement that each citizen put a certain proportion of his or her annual income into the economy (the amount determined from, say, the citizen's previous income tax returns), although the citizen would not have to accept goods in return.

In this way, people like me could do our duty to the economy without filling our houses with more stuff.

How to Fight Wal-Mart

The vast majority of residents of the towns that Wal-Mart moves into *were not unable* to afford the products Walmart sells, when they bought them at local stores. It is not as though, until Wal-Mart came to town, everyone was doing without. So Wal-Mart's prices are lower (if you ignore the hidden costs to the community that the store brings with it). So what? It is not against the law to refuse to buy the lowest priced products! If residents don't want Wal-Mart in their town, then let them simply not shop at Wal-Mart, and let them spread the word, by whatever means possible, to other people in the area, urging them also not to shop at the store either.

But the sad truth is that Americans love No but Yes far more than they love No. Far better to shop at the store for the lower prices, then bitch and moan to the media and the government about what the store has done to their town and to the traditional businesses they loved so much. Just as it's far easier to eat junk food, then blame McDonald's for your obesity, than it is to simply stop eating junk food. "If bad things happen to me, it must be someone else's fault."

The Commuting Problem

We often hear, in times of high gasoline prices, that in Europe prices are far higher, e.g., \$5 a gallon in Italy when the price in the U.S. is only \$1.40. But this is an example of the kind of innu-meracy discussed by John Allen Paulos in his book of that name. The fact of gas price by itself tells us nothing, e.g., about the difference in average commute miles driven per day in Europe and the U.S.; or the average number of miles per gallon achieved in European vs. U.S. cars; or, more to the point, the average percentage of the income of a European who commutes to work by car which is spent on gas, vs. the same figure for the equivalent American.

A similar criticism can be made of our habit of measuring all speeds in miles per hour, when far more revealing comparisons of speed can often be made by measuring the *number of lengths of the moving object itself, per unit time*. On this basis, some insects travel faster than airplanes. For example, assume a single-engine plane is 20 feet long and has a cruising speed of, say, 120 mph, or 176 feet per second (120 times 5,280 feet per mile divided by 3600 seconds per hour). This is only 8.8 plane-lengths per second, which is considerably less than the number of body-lengths per second at which a jumping flea or grasshopper moves.

Likewise, a much more informative measure of the cost of living than the current one based on dollars normalized to some chosen year, is a measure based on the time required by a given type of worker to earn the price of the commodity. Thus, e.g., the house I am living in was built in 1906 for \$1,500, which was then about 1-1/2 years income for a skilled tradesman, e.g., a plumber. If we assume that today, in this city, such a tradesman earns, say, \$50,000 a year, we see immediately that the real cost of housing has increased, since I doubt if there is a single three-bedroom house anywhere in the city that could be bought for \$75,000.

Years, decades, are spent by not-very-bright politicians in trying to figure out how to solve the traffic problems in metropolitan areas like the San Francisco Bay Area. Towns and cities wrangle over how much they should pay to extend this or that form of rail transportation, a hugely expensive partial solution to the problem whose main advantage is that it tends to make some politicians and their business friends wealthy. Yet in a real sense the tracks *already exist* for expanded public transit: they are called “roads and highways”, and the rail cars are called “buses”. At the very least, the experiment should be tried of vastly increasing the number of buses available to commuters during peak commute hours, allowing the buses, of course, to use car-pool lanes wherever available. (The cost will be a small fraction of that of conventional rail systems.) I rode a privately chartered commute bus from Berkeley to Palo Alto for several years and found it no worse than driving except for the fact that there were only two times in the morning, and one in the late afternoon, to catch it. More buses and fewer stops would have made this form of transportation definitely preferable to driving, especially given the fact that travel time can be spent reading and doing certain kinds of work pertaining to the job.

Real Estate

The sad truth is that in these times a house, which was once a place one lived in and which was, incidentally, an investment, has now become an investment which one incidentally lives in.

For most Americans, a neighborhood is simply the wasteland that lies between their house and shopping. Yet some of the deeper thinkers in architecture and urban planning — see, e.g., James Howard Kunstler in his *Home from Nowhere* and other authors who are promoting the New Urbanism — are beginning to realize that it is the neighborhood, and not the house, that is the fundamental entity, the entity that determines quality of life. This idea is by no means a repetition of the old real estate slogan, “Location! Location! Location!” because here a neighborhood means, among other things, a community of neighbors, a common concern about each other’s lives and welfare and safety, a common concern about quality of public landscaping, e.g., trees along sidewalks. A “good neighborhood” can exist even within walking distance of a black ghetto if, in fact, the neighbors have organized themselves into an ongoing neighborhood watch in order to discourage crime. It is entirely possible, as more and more commuters from the suburbs reflect on the proportion of their waking lives that a four-hour daily commute deprives them of, that returning to the cities may not be such a bad idea after all, especially *if* this means purchasing a house in a viable neighborhood. Homeowners in these neighborhoods in turn will realize that their property values are likely to increase if they can show prospective home buyers accurate statistics reflecting a low crime rate in their neighborhood, not to mention a genuine long-term community of neighbors. “Sell the neighborhood!” may well become a motto for these homeowners in the future.

Lawns for people who haven’t the time or money to plant lawns like those shown in the how-to books: here the idea is to follow one of the most creative of all problem-solving rules, namely, “Make the bad into a good.” A lawn that is primarily weeds can be trimmed and fertilized and made to look quite acceptable. Furthermore, if you sprinkle compost mixed with fertilizer in the

bare spots, and do nothing else except keep these spots moist, new weeds soon take root, and further thicken the lawn.

(For some gardeners, and I am one of them, a garden is merely an excuse for having a compost heap.)

How is it possible that year after year, decade after decade, people who live in dull, uninteresting neighborhoods (euphemistically called “working class” neighborhoods) do not realize that there is a cheap, easy way to make their neighborhoods pleasant if not actually charming and at the same time keep their homes cooler in summer? I am referring, of course, to the planting of trees along sidewalks. The improvement is clear for all to see in some of the flat-lands of a city like Berkeley, where a tree-lined street makes even a row of stucco bungalows look appealing, whereas a few blocks away, the same houses on a street without trees seem barren and depressing and poor.

“It is hard to overstate how much orderly rows of mature trees can improve even the most dismal street by softening its hard edges and sun-blasted bleakness.” — Kunstler, James Howard, *Home from Nowhere*, Simon & Schuster, N.Y., 1996, p. 127.

A common complaint heard by prospective home-buyers in El Cerrito, Calif., particularly in the summer, is the lack of trees, and yet I have never seen the slightest indication that residents, including home sellers, had any intention of doing anything about it, not even in wealthy communities like Piedmont, Calif.

All this is the more remarkable when we realize that an appropriate tree can be bought for \$75-\$100 (which can be shared among neighbors), and, in some cities, e.g., Berkeley, the city will pick it up at the nursery and plant it free of charge.

Certain people who begin with the idea that their house is an investment that they happen to live in, find themselves postponing any purchases connected with the house in order to spend more and more of their time on the above type of calculation, so that, if truth be told, they wind up living — they wind up *preferring to live* — not in a house, but in an abstraction. Such people find pleasure in contemplating an interior decoration scheme consisting of the absolute minimum of furniture and wall hangings except for a living room wall digital display showing the owner’s net worth, second by second, the slowly increasing amount acting as an ever-present source of pride — even of warmth and companionship! — as well as a continuing stimulant to frugality.

It is remarkable that, in these times when more and more middle-aged men are living alone, so little effort, or rather, so little *ingenuity*, has been expended on the question of doing the most with the least in home furnishing and interior decoration. PBS, of course, has any number of shows on how to repair houses and build furniture if you have all your time to yourself and \$100,000 to spend on power tools. The interior decorating shows are aimed at women, i.e., at those who were raised in a culture in which advice like, “Always try to create a harmony of contrasts, for example, by using a nice corner piece there, and, maybe a purely decorative element here, with a nice functional element over there to set them both off”, presumably has meaning;

and, second, who have at least \$20,000, and preferably much more, of their husband's or ex-husband's money to spend. But for those of us who are not so fortunate, the really interesting question (here as elsewhere) is, "How much can be done with how little?" We imagine posing the following series of questions to an interior decorator: "Suppose that, apart from your fees, you only had \$500 to spend on improving the appearance and comfort of this house. What would you do? Suppose you then had another \$500. What else would you do?" Etc. Chances are we would be amazed at what can be accomplished with such small sums, given a truly creative — or I should say, a truly *smart* — decorator — just as experienced buyers and sellers of houses know that the perceived value of a house for a certain class of prospective buyer, can be raised thousands of dollars by such inexpensive tricks as planting, at just the right time, lots of beautiful flowers in the garden, and then being sure that the aroma of French cooking is emanating from the kitchen, and Mozart is playing on the stereo, when the prospective buyers arrive.

A TV series worth producing would be one in which, at the start, a home or apartment is shown before the decorating begins, then the same home or apartment after, then viewers are asked to guess how much the improvement cost. The answer would then be given, with the remainder of the program being devoted to showing how so much was done for so little.

It seems safe to say that in hard times, the intelligent poor always fare better than the unintelligent poor, but how many of the former understand the beauty of doing the most with the least? How many of the intelligent poor systematically collect ways of gaining entrance to parties in grand houses and receptions at expensive hotels? How many have made lists of the activities that people with money do, and then tried to figure out, purely in a spirit of play, how nearly they can come to participating in the same activities? (One of the rules is that the activity alone is sufficient to earn credit in the game, not necessarily the permission of owners and other persons in charge. Thus, e.g., having a picnic on the grounds of a beautiful estate counts, even though you would be evicted if the owners knew about it.) How well is it possible to eat on how little, considering that a reasonably good bottle of wine can be bought for as little as \$10? How well can you dress, given only the old clothes you now possess, and, possibly, a minor additional expense? What are all possible tasteful combinations of your shirts and pants? What, and where, are all the sources of cheap, durable goods, new or second-hand, within walking or biking distance of your house? *If done in the companionship of others*, there is a source of pride in living as cheaply as possible which few of the intelligent poor, and none of the unintelligent poor, ever come to realize.

Living among broken things: neurotics believe that perfection is possible, and that if one has a right to go on living, one should be able to achieve it. Others, blessed with a scruffier mental health, know that what is normal is for things to break, decay, fall apart, so that the only question is, "Among all the things that need repair now, which should be repaired next, given my life's goals?" (Exactly that pompous way is how the question should be put!)

First, preserve the investment! Get rid of the termites, protect against earthquake damage, prevent further settling of the foundation, paint the wood that is exposed to the weather, fix the leaks in the roof, but don't worry about the cracks in the walls, the shabby furniture, the primitive kitchen.

Broken things have an esthetic of their own. We should admire a person who has the courage *not* to repair things as soon as they break.

Looked at from the proper viewpoint, nothing ever really *breaks*: its operating procedure merely changes. Consider the radio or TV or piece of electronic apparatus that doesn't work until it is struck with the hand, or the umbrella you have to hold open, or the car with bad brakes, so that sometimes you have to use the emergency brake, or the car with the dead battery that you have to push to start. The end result is the same as before, you simply have to use a different procedure to accomplish it.

Why does hitting a piece of machinery so often make it work? Why not shaking it, warming it, cooling it, rubbing it?

Another TV series worth producing would be one that might be titled, "Real-Life Home Repair". Here, viewers would be shown how to make repairs with the hand tools that most of them can actually afford or are willing to buy. Furthermore, repairs would be shown taking place in real-life circumstances: "Now you remember in last week's episode the metal washer had fallen into the radiator grille and then the screw head on the cover had broken off when the screwdriver slipped. All this happened at the same time we were getting a severe headache due to a project deadline the next day, a project we would much rather have been working on instead of having to fix problems caused by poor-quality, badly-engineered American products."

"[The] Pottery Barn...catalog...gushes about paint jobs that have been 'allowed to age gracefully' and 'floral prints that have been washed by the sun', i.e., faded... There is Crate & Barrel...featuring its 'Rustic Collection' — lots of worm-eaten wood and 'hand-distressed' dining room sets.

"...The big seller this season at Pottery Barn is the Thomas Bed...but what they call a 'distressed' paint job is what I'd call banged up. Chips are missing from the paint and it has big scuffed patches where the dark wood shows through...

"In [Painter Julian] Schnabel's [apartment]... are exposed metal pipes blotched with rust, tattered velvet curtains that actually appear to be molding in places, warped and blotchily painted spindle chairs that look like they were carted away in the back of a station wagon from one of those bedraggled flea markets in upstate New York. 'Hyper-decayed, totally rotting,' says ... interior designer M. Scott Marks...

"...Real Old Stuff...has gotten astronomically dear. To find the splintery bench and rusted door Schnabel's designers scoured places like Urban Archaeology in Soho, a four-story emporium featuring hall after dimly lit hall of decrepit doors, ornate banisters and dust-impacted moldings, all scavenged from abandoned buildings and now priced in the hundreds and thousands." — Gutmann, Stephanie, "Rusticated", *The New Republic*, Apr. 3, 1995, p. 14.

Savings and Investment

Savings

Many people, particularly those in therapy circles, talk about the importance of taking responsibility for our lives, but this never seems to include *financial* responsibility. Some of these people have read dozens of pop psychology books and, in some cases, made themselves into remarkably insightful psychologists, yet although they do not mind the prospect of years of daily effort if it leads to a happier inner life, they are reluctant to spend even a tenth of the time dealing with the problem of what their sources of income will be if they live long enough to enjoy this happiness, namely, in middle age and especially after retirement. The following illustrates the urgency of the problem.

How to tell if you are earning enough money (if every American worker carried out the following simple calculation, the country would face an overnight revolution):

(1) solve the following equation for s ;

$$s = \frac{na - e}{w}$$

where:

s is the number of dollars you must be able to save each year from now until the year you plan to retire;

w is the number of years between now and the year you plan to retire;

n is the number of years you are willing to live after you retire;

a is the annual income you would need to live on, apart from social security, if you retired tomorrow;

e is the number of dollars in existing savings you now have which you could easily turn into income upon retirement.

(2) if s is more money than you can save each year, then you are not earning enough money.

The equation is optimistic in the sense that it assumes interest and other returns on e and on each year's s will cancel out the effects of inflation. If you intend to live on interest alone when you retire, s will have to be much larger, unless you are rich already.

On the basis of the equation, most of us are looking at a bleak old age. For example, if someone is 40 years old now, has \$50,000 in savings and investments ($e = \$50,000$), wants to retire at 65 ($w = 25$) on an income of \$20,000 a year apart from social security ($a = \$20,000$), and plans to

live to at most age 80 ($n = 15$), he will have to *save* \$10,000 a *year* from now until age 65, regardless of his salary.

It is surprising that computer programs aren't widely available that perform the above calculations for the user after he or she inputs the appropriate data: current savings and investments, housing costs, etc.. Obviously the user would have to make certain assumptions about inflation, future investment returns as a function of inflation, etc. But every employer should be required to hand out the results of this calculation to each employee at least once or twice a year.

The financial naivete (the perennial wishful thinking) of Americans is reflected in the fact that the above equation is not taught beginning in high school, and then calculated routinely by each person throughout his or her life. One might argue that Americans are so poor at math that it wouldn't do much good even if they wanted to carry out this practice. But the programmable pocket calculator, not to mention the personal computer, eliminates much of the force of that argument. The government would do an enormous service to its citizens by requiring that s be calculated on each income tax return.

Similarly, it is nothing less than fraud for any university department or trade school not to keep up-to-date statistics on its bulletin board (or on the computer terminals that students use) about the annual salaries of graduates as a function of the years they work in the particular field or trade.

It must be said again and again, although I fully realize that this is way beyond the dim comprehension of the average American: credit card companies each month grant you up to a one-month loan interest-free, within some stated maximum amount. Furthermore, they provide a certain protection in that you can refuse to pay for fraudulent charges. *But that's all!* The companies are *not* obligated to allow you to live beyond your means. If you insist on doing so, they are *not* obligated to charge interest rates that you can afford. If you don't like their interest rates, then pay your debt and start living within your means.

Many middle-aged people still believe that to have \$1 million is to be rich. A simple calculation shows how wrong they are: imagine (optimistically, at present) that they are able to safely invest the \$1 million at 10%. Assume inflation is 5%. Then their annual income, before taxes and medical insurance payments, is \$50,000 which, in some parts of the country, is barely enough to maintain a middle-class standard of living. (On the other hand, if a middle-aged person is able to decide how long he or she wants to live, and is confident of having the courage to take the necessary step to ensure that the length of time will not be exceeded, and to inform his or her children that there will be no inheritance, then, of course, he or she can withdraw considerably more than 10% each year, namely, an amount that will reduce the estate to \$0 at time of death.)

Despite all the reports of poverty among the elderly, the fact is that an increasing number of the elderly are sufficiently well-off to be able to leave money to their children. This is true if for

no other reason than the fact that there are more of the elderly now. For these children — if that is the right term for men and women in their forties and fifties and sixties! — that money often means the difference between an old age spent in poverty, and an old age spent in reasonable comfort, and this is especially true in times of extensive layoffs and strongly-encouraged early retirement of middle-aged workers.

Now since old people are usually just nastier versions of what they were as young people, this poses a major problem for the children, who are often forced to dance to whatever tune these aging tyrants care to call. The children are burdened not only with their feelings of guilt and rage, but also by the law, which in every state says in essence that, although in the absence of a will, the money usually goes to them, nevertheless in the presence of a will, the parents can leave their money to whomever they want. Thus the parents can, and often do, torture their children for years and decades with threats of disinheritance unless the children knuckle under to their demands, and the children have no choice except to obey or turn their backs on money they will need. (Along these lines, it is interesting to ask people of various ages which alternative they would choose. Almost invariably, the young tend to urge walking away on the grounds that all that suffering isn't worth the money, whereas the middle-aged and old tend to argue for endurance, on the grounds that it would be foolish to throw away all that money, and besides the parents can't live forever.)

So the question is: how should the children proceed if they choose not to walk away? Murder is the most natural, the most justified option, but, unfortunately, the perpetrators are likely to be among the first suspects. Furthermore, in many cases, this is precisely what the elderly parent wants, because it simultaneously achieves two goals: first, the ending of a life that the parent hates, and, second, the assurance that the torment of the son or daughter will not end with the parent's death, but will continue throughout the son or daughter's life, since, at best, he or she will always live in fear of being arrested for the crime. More than once, with the loaded gun on the car seat beside me, the force of this realization has made me turn back.

The only alternative, as far as I can see, is for the children simply to realize they are in *the business of inheritance*. They need only compute how much taxable income they would have to earn in order to save what they will inherit, and then estimate how many additional hours a week it would take to earn that amount. So it's a job, an investment, like any other, and as with all jobs and investments, the goal is, or should be, to get what you want with the least effort. You put in your time, endure the blows, and watch the clock.

Spreadsheet your life! Calculations such as the above remind us that the personal computer makes it possible for every household that can afford one to perform the kind of analyses of personal finances which previously were only possible for businesses. For example, using any one of a number of spreadsheet programs, you can compare different detailed budgets for several years ahead, seeing the consequences of various means of financing major repairs and purchases. You can also supply the program with estimates of future interest and inflation rates which you or the expert of your choice consider reasonable and then compare the financial consequences of various investment strategies. You can also, for the first time, bring reason into making the kind of decision which many of us are forced to make, e.g., buying a less expensive house which is far from your place of employment, and thus having to car-commute many miles each day, vs. buying a more expensive house with a shorter commute. Or buying a more expensive house in an area with relatively few burglaries, vs. staying where you are and paying ever higher insurance premi-

ums because of your repeated claims. (Hardly a need for a calculator in the latter case if expense is the only criterion.) You can also, for the first time, bring reason into making decisions about changing your lifestyle, e.g., the long-term financial consequences of moving to the country vs. staying in the city.

Similar programs can, for the first time, bring reason into the never-ending problem we face of choosing between several products, each of which has a different “weight” in our minds, e.g., a car, appliance; or deciding between job possibilities. In each case, we have a set of alternatives with a set of properties or characteristics for each alternative, e.g., gas mileage, age (if the car is used), frequency-of-repair record, price, accessories, etc., and for each such property, a value that we place on that property, e.g., 5 for absolutely essential, to 0 for don’t care, to -5 for absolutely don’t want. A simple, though tedious, calculation if performed by hand, will then tell us which one (or more) of the alternatives are the best for us.

It is surprising, considering all the financial programs currently available for home computers, that none of these make it easy for the user to choose the degree of precision of calculations, starting with answers that merely express inequalities — “Will investment A yield more of a profit than investment B, under the specified assumptions?”. Here as elsewhere we need to learn to think *inexactly* — we need to be able to recognize how *little* information will suffice for a given purpose. We need to create and then master an algebra of successive approximations.

The long-distance phone companies employ a tried-and-true marketing technique in their ads, namely, that of introducing so much noise into the reasoning processes of potential customers — through price claims that are for all practical purposes unverifiable — that the potential customer (though he or she is probably not aware of it) is forced to buy on the basis of image — on the basis of the *feeling* that the ads give. But a fortune is awaiting the company that enters the fray with a computer program that in effect allows phone users to insist that each phone company bid on each phone call. Then, for a very small charge to the user and possibly to the phone companies on each phone call, the program would poll all competing phone companies for a quote on the particular call the customer wanted to make and choose the company that produced the lowest bid. *Now* the labor of computing prices, of offering complicated discounts depending on region called and time of day and number of times similar calls are made over a specified time period, now this labor and expense would be where it belongs, namely, in the *phone company*’s hands. The user could, of course, specify the maximum amount of time he or she was willing to wait for a company to come up with its bid.

Note: in spring 1997 the existence of such a product was reported on the evening television news.

“Wealth is like hair in your nose. It hurts as much to be separated from a little as it does from a lot.” — proverb from Madagascar, quoted by columnist Herb Caen, *San Francisco Chronicle*, 8/21/92, p. D1.

Investment

What is the best way to withdraw money from an investment from which you have already made an acceptable return? I have never seen this question discussed in the popular press, and yet, since not everyone always fails to do well on their investments, it is a natural, and no doubt frequently occurring, question among investors. Assume that the investment is a stock, and assume that there is a high probability that the value of the stock, over the period of the investor's concern, will follow roughly a hill-shaped curve, i.e., will rise to some maximum value, then descend. Assume that, at present, if all the stock were sold, the investor would have surpassed his or her profit goals. Which is the best strategy? Sell all the stock now? Sell enough of the stock now so that, if the value dropped to zero tomorrow, the net return on all the stock would just be barely acceptable? Sell a certain large percentage of the stock now, then a progressively smaller percentage each week as long as the stock continues to rise? Establish a stop-loss point at the current value of the stock, and keep raising it as the stock continues to rise, then sell all the stock as soon as the value falls below that value?

A person has two different investments, one earning interest at a lower rate than the other. Interest is compounded every interest period and immediately thereafter an amount is withdrawn from one or both investments. The amount is always the same. Suppose the amount is greater than the interest produced each period by the lower-interest investment. Should the investor (a) make up the difference by withdrawing, each period, from the higher-interest investment, or (b) should he draw down the lower-interest investment first, and only then start withdrawing from the higher-interest investment? Many people argue that (b) is the correct answer.

Assume inflation and taxes and bank fees are all zero. Assume, also, that no money can be deposited into the higher-interest investment apart from interest earned by it during a given period. (Otherwise, the problem becomes trivial.) In other words, the higher-interest investment is like an IRA except that not even a \$2,000 annual deposit is allowed. Money *can* be deposited into the lower-interest investment provided it comes from the higher-interest investment.

Assume that the initial investment amounts, the interest rates, and the withdrawal amount can take any value greater than 0, subject to the indicated constraints. (Of course, if the withdrawal amount is too large, the solution becomes trivial.) This means that the set of all possible cases is continuous, i.e., for any case under discussion, we can specify a case (many cases!) arbitrarily close to, but different from, it in one or more of the parameters.

Suppose that the withdrawal amount is just "slightly" larger than the interest earned each period by the lower-interest investment. Furthermore, suppose that, by transferring a very small amount *once* from the larger-interest investment to the smaller, I can make the withdrawal amount *exactly equal* the interest earned each period by the lower-interest investment. Then, after the transfer: (1) I can continue to withdraw that amount forever from the lower-interest investment, and (2) the second investment will grow forever, and, furthermore, it will grow only "slightly" less fast than it would have without the transfer. But this is clearly not the same as (b), above.

Unfortunately, this argument doesn't show that this is the best strategy, meaning, that it will result in the largest total investment in the long run — or, more precisely, that from some point on, the total investment will grow more rapidly than will the total investment under all other strategies for the same initial parameters. It only suggests that the strategy permits the total investment to grow arbitrarily large with time.

Suppose you have a chance to invest a given amount of money in one or more different investments with differing risks and rates of return. Assume that you have data on the performance of each investment over the past, say, five years, and assume that, on the basis of that data, the greater the average return over that period of time, the greater the risk: in other words, e.g., some investments have returned 0, or even suffered loss of principle in some years, but in other years they have returned more than 30 percent, while others have only returned, say 4% on average, but this return hasn't varied much if it all over the five years.

The question is, Is there a rational way to distribute your given amount over the investments in a way that will minimize the chance of your losing money and maximize the chance of your gaining?

This is another question which you would think would be discussed frequently in the popular financial press, but which I have never seen even mentioned — not even in the information that companies distribute with their employee investment plans. Let us see what we can do by working from first principles.

First, I argue that we cannot begin until we decide what return we would like from the combined investments: otherwise we will have no way of judging our success. For example, we could decide that we will be satisfied with the return being paid by the safest investment. Then, if we in fact achieve that return, we can say that we achieved our investment goals, although we can't say that, in general, the best strategy is always to choose the investment paying the lowest return. If we decide that we will be satisfied only with the maximum return offered in the best year by all the investments, and we meet or exceed that amount, then we can say that we achieved our investment goals, but we can't say that, in general, the best strategy is always to choose the investment paying the highest return.

Second, we need a way to correlate risk with return. Suppose, to do this, we say that, relative to the safest of the investments, the risk of any other investment in the set is equal to the multiple of the average percentage return of that investment, over the average return of the safest. Thus, if the safest investment pays an average of 4%, then we will say that an investment paying an average of 8% has a risk factor of 2, and one paying 10% has a risk factor of 2.5.

Now we can reformulate our problem as a request for a solution to the following equations. Let:

t be the total given amount we have available to invest;

x_i be the amount of that total we put in investment i , where $1 \leq i \leq n$.

p_i be the average return, expressed as a decimal, of investment i over the past five years. We let p_1 be the average return on the safest investment.

Clearly, the sum of all the x_i must equal our total given amount t , so we write:

$$(1) x_1 + x_2 + \dots + x_n = t$$

Let c = the return we have decided we will be satisfied with, expressed as a decimal. Then we write:

$$(2) p_1x_1 + p_2x_2 + \dots + p_nx_n = c$$

Finally, to express the fact that we want the minimal risk, we write:

(3) $(p_1/p_1)x_1 + (p_2/p_1)x_2 + \dots + (p_n/p_1)x_n$ must be a minimum.

We have n unknowns, two equations and one statement of a minimum. For specific cases, a solution can be found by exhaustive trial and error, e.g., using the computer. Is there a formula that covers all cases? Is there a better set of equations to achieve our goal?

The Stock Market

If you decide to invest in the stock market, and to make the buy-sell decisions yourself, the first question you must ask yourself is how much your time is worth, i.e., how much you could earn if you worked for someone else instead of spending the time on the market. The cost of every hour you spend studying and worrying about your investments, not to mention doing the actual buying and selling, must be subtracted from your profits (and added to your losses).

Once in a while — especially after a major drop in the stock market — you hear people remark that stocks have no “real” value because their prices are so largely determined by rumor, investors’ whims, the opinions of Wall Street analysts, and political events; that only things like land, buildings, machinery, manufactured goods have “real” value. This idea, which is reminiscent of the old debates about the value of paper currency vs. that of gold, can probably be traced back to an instinctive belief (in some people) that “matter” somehow always has “more reality” than anything that represents it, e.g., perceptions, thoughts — or symbols on paper. But some of us become extremely uneasy whenever there is talk in economics about multiple measures of value, e.g., actual prices vs. what prices “should be”. On the basis of our reading of history we are inclined to do almost anything rather than tamper with natural pricing forces. We believe that the economic value of something is what people are willing to pay for it. In the case of stocks, what people are really complaining about is the *volatility* of prices in certain types of stock market — the fact that, unlike stocks, things such as land, buildings, etc., tend to hold or increase their value, with only mild fluctuations, over long periods of time.

Where does the money — the value of the stocks — go when there is a major drop in the stock market? As is so often the case, *Monty Python* provides the best answer:

“Voice Over: ...even more modern building techniques are being used on an expanding new town site near Peterborough; here the Amazing Mystico and Janet can put up a block of flats by hypnosis in under a minute...The local Council here have over fifty hypnosis-induced twenty-five storey blocks, put up by El Mystico and Janet. I asked Mr. Ken Verybigliar the advantages of hypnosis compared to other building methods.

Cut to a man in a drab suit.

Mr. Verybigliar: Well there is a considerable financial advantage in using the services of El Mystico. A block, like Mystico Point here, (*indicating a high-rise block behind him*) would normally cost in the region of one-and-a-half million pounds. This was put up for five pounds and thirty bob for Janet.

Voice Over: But the obvious question is are they safe?

Cut to an architect’s office...

Architect: Of course they're safe. There's absolutely no doubt about that. They are as strong, solid and as safe as any other building method in the country....provided of course people *believe* in them.

Cut to a council flat. On the wall there is a picture of Mystico.

Tenant: Yes, we received a note from the Council saying that if we ceased to believe in this building it would fall down.

Voice Over: You don't mind living in a figment of another man's imagination?

Tenant: No, it's much better than where we used to live.

Voice Over: Where did you used to live?

Tenant: We had an eighteen-roomed villa overlooking Nice.

Voice Over: Really, that sounds much better.

Tenant: Oh yes — yes you're right.

Cut to stock shot of block falling down in slow motion. Cut back to tenant and wife inside.

Camera shaking and on the tilt.

Tenant: No, no, no, of course not.

Cut to stock film again. The building rights itself. Cut back to interior again. Camera slightly on tilt. They are holding bits of crockery, etc.

Tenant: Phew, that was close.” — *The Complete Monty Python's Flying Circus: All the Words*, Vol. 2, Pantheon Books, N.Y., pp. 167-168.

In a time when it is being argued that soon it will take millions of dollars' worth of computer power to have a fighting chance of making profits on the stock market, the experiment needs to be performed as to how well a single human-being, or a small group of same, can *consistently* do so using only, say, a home computer and a few of the most basic rules. And if it should turn out that such humble resources can in fact make satisfactory profits, an economist with a strong background in mathematics should try to find out why.

How to manage your money: most of the catastrophic losses that occurred to small investors during the bursting of the stock market bubble in 2000-2002 could have been avoided if the investors had followed two very simple rules: (1) Diversify your investments. Always. No exceptions. (2) Never forget “the legendary John Templeton's admonition that the four most expensive words in the English language are ‘this time it's different’.” — Bernstein, William, *The Intelligent Asset Allocator*, McGraw-Hill, N.Y., 2001, p. 164.

Suppose, when the stock market starts to decline, all or most investors simply refuse to sell any stock below what the price was before the decline began. The reader will, I'm sure, tell me that such behavior would be psychologically impossible. But suppose that one or two or more previous times, the decline had in fact been reversed. Suppose that investors began to regard this behavior as what prudence dictates at such times?

What is the price of something that no one is willing to sell? What would be the Dow Jones Average for one or more days on which, though the stock market were open, not a single share of stock were sold?

Is there a way to consistently make money in the stock market? Yes: by becoming a purveyor of information and opinion that the investing public believes is expert. The opportunities include: financial journalism, writing one or more newsletters, writing books on investing, and appearing on TV shows as an expert. Regardless what the market does, there is a demand for such information. In fact, the worse the market's performance, the greater the demand. Your appeal as an expert will have little to do with your actual record of performance in predicting stocks, since such a record, even if it existed, would not be readily accessible by prospective readers and viewers, and even if it were, the vast majority of readers and viewers would not bother to go over it in detail and tally the net returns your advice would have brought investors. An affiliation with a university or a prestigious financial firm would matter far more than your record.

An epiphany concerning Warren Buffett: while watching him interviewed by Charlie Rose in May, 2006, I suddenly thought: the great secret of his financial success may be that his primary goal has always been to *nurture successful companies*, and that profits are merely a way of measuring how healthy a company is. The perceptive reader will recognize that there is all the difference in the world between this goal and the standard one of merely making money.

Currency Trading

A former friend of mine was financially independent by age 25, thanks to his computer programming and managerial skills. However, like many people who have made a lot of money through a product, he took a dim view of those who make a lot of money by merely being expert at buying and selling. Hence he was critical of my son's profession of currency trader. The former friend argued that currency trading not only contributes nothing to the world's economic wealth, but also could just as well be done by making the buy/sell decisions randomly. In computer matters, I usually lost arguments with him, but here, although he was reluctant to admit it, I felt that I was right. My argument can be put succinctly via an example. Suppose you were the head of a multi-national corporation which decided that it would be good for business to build a plant in, say, France. You were reliably told by the French contractor that the plant would be completed in three years. Full payment would be due at that time, in French francs. Obviously, you would want to convert your dollars into francs at a time when the exchange rate was favorable to you, so you now would have to decide when that would be: immediately? six months in the future? a year in the future? ... three years in the future? I argue that it is extremely doubtful that you would make your decision by choosing the time at random. I argue that instead you would try to find a person with a deep knowledge of current French politics and economics and current American politics and economics and ask for his advice — a person, for example, with a record of success as a currency trader.

To say that currency trading “is just gambling” is to fail to realize that there are two fundamentally different types of gambling: one in which probabilities rule, e.g., the game of craps, and one in which human skill can influence the outcome, even though probabilities are still always present, e.g., poker. Currency trading is like the latter. The expert currency trader has what is sometimes called “a market sense”, meaning a feeling, based on experience, for how other cur-

rency traders will react to a given sequence of circumstances. To take an example of the strategy called “spoofing”, if a trader decides it will be advantageous to hold more German marks, he may start by making a few sales of marks he already holds to certain other traders because he believes they will interpret this as meaning that he knows something they don’t about the mark, namely, a reason why it will soon drop in value. So they also begin selling marks, and other traders, noticing this trend, likewise begin to sell. Soon the price of the mark has fallen sufficiently so that the first trader can now buy them at a cheaper price. Of course, the first trader must now take into account that the next time he starts selling a currency, the other traders will suspect that he might be repeating the same strategy.

Such behavior, at least at present, is impossible to model on the computer because of the difficulty of writing programs that (a) know how to constantly revise strategies based on the effect of previous strategies, particularly when the psychology of other traders must be taken into account, and (b) are able to take into account current affairs in various countries throughout the world — what a currency trader reads about in the newspapers each day.

The National Budget and Income Taxes

The best way to balance the U.S. budget (in non-affluent times) would be for Congress to pass a law providing a graded bonus of up to, say, \$250,000 for each Congressman (Senators and Representatives) in proportion to how nearly the budget is balanced, using, say, the 1986 budget deficit of \$180 billion to define the scale. (It should certainly be no problem getting Congress to pass such a law.) Thus, each Congressman would receive no bonus if a given annual budget deficit (at the *end* of the fiscal year) were greater than or equal to \$180 billion; a bonus of \$125,000 if the deficit were only \$90 billion; and the full \$250,000 if the deficit were \$0. The maximum annual cost of this plan would be less than 0.1% of \$180 billion, far less than the interest the government must pay on that figure.

All symbols weigh the same, or nearly the same. It is just about as easy to write \$1,000,000,000 as it is to write \$1, and therein lies much of our problem. Imagine how much lower the budget deficit would be if the symbol for a comma in a number were, say, a ten-pound rock, or a fifty-pound bag of fresh cow manure.

The success of state lotteries suggests that they could be used to encourage people to pay their income taxes. Taxpayers who wished to participate could buy tickets for, say, \$1 each. If a person held a ticket with a winning number, then the state and/or federal government would carefully scrutinize that person’s income tax return; if found to contain no errors, the person would receive, say, several million dollars in prize money. Since the public knows next to nothing of the laws of probability, it is difficult to believe this policy would not result in very nearly 100% of taxpayers honestly paying their taxes.

A similar idea might do wonders to lower the crime rate: each week, make a random selection among ghetto teenagers, and pay several hundred dollars to those selected who, during the past week, have not missed a day of school or been arrested or questioned by police.

A Way to Promote Energy Conservation

The ignorance of the American public regarding the laws of probability can be used to promote energy conservation. For example, each person who has solar panels installed on his or her roof, would be asked to mail in a form with his or her name and address, date of installation, and company from which the panels were bought. The form would say, for example, that each year a form would be selected at random from all those received, and a prize of \$500,000 awarded to the person named. The same could be done, with smaller prizes, for purchases of fluorescent bulbs, energy efficient appliances, and other energy conserving products.

A Thought on the 2010 Gulf Oil Spill

At the time of writing (6/4/10) I have heard no mention of what seems an obvious idea, namely, that of simply regarding the oil gushing from the bottom of the gulf as *just another type of oil well*, and place a large, conically-shaped hood not down over the broken pipe, but *above it*, and then simply pump sea-water and oil up to a waiting ship, where the oil and water would be separated. The problem of ice crystals sealing the opening at the top of the hood could easily be overcome, it seems, by surrounding the metal in that area with heated coils of wire. In any case, the key idea is that an oil spill is just another type of oil well.

Additional Thoughts

The masses
Are asses.

“Most folks ain’t much.” — Charlie Musselwhite

“Most people are crap.” — S. f.

We Americans, who should know better, consistently underestimate the power of the marketplace. We have not even *attempted* to apply it toward controlling the insurance companies who, as those who lost their homes in the great Oakland Hills fire of 1991 learned, are perfectly willing to cheat their customers whenever possible. Some of these victims, in their frustration, put signs up warning other prospective customers about these companies. The companies tore them down. But there is no way the companies could prevent the publication of a newsletter or magazine giving not only rates for, in particular, home and car insurance, but also a customer complaint index. There is no way the companies could prevent some enterprising soul from starting a call-in service, which, for a modest fee, would give the caller a list of the insurance companies currently providing the best deals and the best service. We must never forget that even when we have no choice about whether or not to buy a commodity, we can still force competition among the sellers.

The same applies to health insurance companies. In a few parts of the country, including San Francisco, Los Angeles, Seattle, several locations in Colorado and Virginia, Kaiser Permanente is available — a not-for-profit health-care provider that is, and has been, a model for the nation during most of the years since its founding in the mid-1940s. Why anyone would choose a for-

profit insurer instead for any other reason than that Kaiser is not available in their area, is incomprehensible.

And I cannot help asking why Obama didn't simply Kaiserize the nation, or at least begin with the Kaiser model and then modify it just sufficiently to win the necessary votes, instead of going through the enormous labor of coming up with a new, untried health care plan. At the time of the Obama plan, Kaiser already had some 70 years of working with and improving its system. What could possibly justify throwing aside all that invaluable experience and starting from scratch?

To return to my theme: if we detest the absurdly high salaries of some CEOs, or a company's treatment of older workers (or of any group of workers), we can always boycott those companies, making sure that (a) the existence of the boycott is known to as large a segment of present and potential customers as possible; (b) the boycott continues until the policies are changed.

If we detest the violence on TV and in the movies, the simplest, most effective protest is simply to boycott the shows.

Minorities, too, can use the boycott as a means of bringing about change. But I doubt if any black or Latino leader has even made the effort of determining the products on which his community spends the most money.

How much is known about the black ghetto as an economic entity? How much money flows into and out of a typical ghetto such as Oakland, Calif.? Does any black leader have the slightest idea of the amount? What proportion of this money can be attributed to the sale and consumption of drugs? Assuming that, overnight, all need and desire for drugs disappeared, but everything else remained the same, including the ability to acquire the money (by whatever means) that previously went into drugs, to what degree could the standard of living be raised?

Black leaders would do far more for their people if they began spending a little time telling them how much they have, and the possible ways of making it work for them, instead of always telling them how much they don't have.

Is there a way to measure how effective an HMO is for its members? (We can always measure its profitability for investors using standard business criteria, but this is different.) Suppose we try years of life per dollar input? Tally the number of members of each age, then divide by the total income of the HMO. Then we can say, e.g., that the HMO delivers .02 80-year-olds per dollar input, .05 40-year-olds, etc., and thus compare different HMOs for age ranges that all of them cover.

High inflation and a sinking stock market put us in the same situation as K.'s in *The Trial*: just as he had to spend all his time and energy defending himself before the law, so we must devote all of ours to figuring out how to keep the money we earn — i.e., in times of high inflation and financial uncertainty, we must work twice for our money: once to get it and once to keep it.

No government could do better than to keep inflation at a level just high enough so that most people believe that, by bending every effort, they can still come out ahead. Thus all the surplus human energy of the nation is absorbed in the one problem of financial survival, leaving none for

political action against the government. Given a choice between trying to change the U.S. government and trying to save your savings, which would you choose?

Perfect x — One of the best ways of finding out the real meaning of a law or rule or “suggested guideline”, whether in government, business, education, or the family, is by imagining the daily life of a person who would obey the law or rule perfectly. If you ask of each teacher in a high school or university how much time per week he or she feels a student who wants an A should devote to doing homework in his subject, and then add up all these hours, plus classroom hours, plus the time to get to each class, plus a reasonable estimate of the time needed for eating, sleeping, etc., you will get a first-rate introduction to the fantasyland in which most teachers live. You will get a similar introduction if you attempt to model in this way the “responsible” life advocated by politicians, leaders of reform movements, health officials, and investment counselors. For example, a *necessary* part of the data concerning minimum wage proposals is a model of the life of a person or couple living on the proposed minimum wage income: when the person or couple gets up in the morning, how they get to work, how they arrange for care of their children, when they get home at night, where they live, and, most important, what their budget is and how it will enable them to save enough of for their retirement so that they do not have to live on welfare. This model is as legitimate, as essential to the debate, as are the estimates of the consequences of changes in the minimum wage to business and employment.

Anyone who believes that there is some kind of inherent good in the working class and the peasantry, needs to be reminded that some of the most monstrous dictators in the history of mankind — e.g., Hitler and Stalin — not only rose from these origins, but found their most loyal followers in them as well. Nazism was a political philosophy designed for people who can’t think, people who were born to do the bidding of others, people who were perfectly willing to commit any kind of violence for someone who gives them a full belly and a feeling of importance.

In the career of every dictator, there must be a first time when the subject of putting his picture on large public posters, is brought up. I would trade the knowledge of a great many important facts about *any* dictator’s career for the knowledge of how exactly this took place in the case of just one. Who first broaches the subject? Is there always an underling who can be relied upon to say, prior to the big rally, “We will need posters with a big photograph of you! But who is a great enough photographer? And when, in your busy schedule, will you have time to sit for him?” Is that the sort of language that is used? Or is it usually the dictator himself who brings up the subject? What language does he use? “I want pictures of me everywhere. Hofmeier, see to it.” In which case Hofmeier must undertake to guess what sort of portrait the Leader has in mind, and what is to be done if the portrait doesn’t turn out right.

Hitler was not always called “the Führer”. He wasn’t called that in childhood, or in his teenage years, or even in his early twenties. Was there a time when he said to his followers, words to the effect, “If you don’t mind, I would appreciate your calling me, from now on, in addition to my given name, also, ‘the Führer’.” And how did he introduce the Nazi salute? “Look, I think it would be more impressive if from now on, when you entered my presence, or left it, assuming you are still alive, or when you pass me on the reviewing stand, or in fact, whenever you conclude

any business with each other, that you give a salute, like this [demonstrating] and then at the same time click your heels together, like this, and at the same time say ‘Heil Hitler!’. Go ahead, try it...No, I think it wants to be done a bit more smartly: hand out, heels clicked, ‘Heil Hitler!’, in a loud voice — you don’t need to shout, but say it as though you mean it. Try again...”

It is not possible to understand Hitler unless at one time in your life you have experienced rejections and humiliations as profound as those he experienced in his youth, e.g., in his not being accepted at the Academy of Fine Arts in Vienna, and in seeing Germany defeated in World War I. You must have reached the point of being able to say to yourself, in complete, unshakable confidence, *Because this was done to me, all things are allowed*. You must be able to say to the world, with all the confidence and sense of power that comes from a complete rebirth, *Now you have created a monster!* And if you are able to lay the blame for these humiliations on a particular group of people, then you must be able to see that, *because of what was done to you*, all things are allowed in your revenge against them: there can be no bounds to your revenge because there were no bounds to the suffering these people inflicted on you.

Can anyone who reads a review of the century’s “Hitler studies” such as Ron Rosenbaum’s in the May 1, 1995 *New Yorker*, possibly believe that anything worthwhile will ever come from these pathetic exercises in human decency, these gropings toward something that the academic mind, from its meek, *decent* scholarly distance, can deem “the probable explanation”? To understand Hitler, you yourself must be capable of being a monster. That is the sacrifice, or perhaps I should say, the challenge, that this question puts to all those who would attempt to answer it.

The Reader (2008) is an outstanding German film about a woman who falls in love with a much younger man, but who later, in a trial, admits to having carried out her assigned duty at Auschwitz of selecting ten Jewish women each month to be gassed. She also made no attempt to save 300 Jewish women whom the Nazis burned alive in a church. A number of critics have taken the film to task on the grounds that it attempts to whitewash the heinous crimes of the concentration camp guards. But this kind of moral indignation does not necessarily deserve our respect, because it is hard to imagine the Nazis being so kind as to merely put a bullet in the head of guards who refused to obey orders, or of allowing such guards to commit suicide. Above all the Nazis would have wanted to set an example. So it is reasonable to imagine that the price of disobedience would have been hours of unendurable torture in front of the entire camp, but especially in front of the guards, and then, eventually, death. Those critics who fault the behavior of the woman guard should first have asked themselves: if they were in the woman’s place, and knew perfectly well that it wasn’t their own decision to select the prisoners for death or to burn down the church with the prisoners inside, and also knew the prolonged, agonizing death they would face if they disobeyed — if they wouldn’t in fact have given in and done what they were told to do.

The Germans — how could that race of monsters have produced such glorious music?

Is there a rational response to a member of the radical Left who asserts that people in Europe in the Middle Ages were “better off” than they are in the late 20th century U.S.? At present, since we can’t yet measure happiness or meaningfulness of life, do we have any other choice than to approach the matter statistically, fully realizing that the comparison will be hampered by the inadequacy of reliable data on at least one side? What rational basis of comparison do we have other than: birth rate, longevity, literacy rate, standard of living, suicide rate, torture rate, execution rate? (Among modern societies, the refusal to reveal some of this data can legitimately be counted against the quality of life in the society.) And that is all we can do! Everything else is art pretending to be what it is not.

The Left, always on the lookout for victims onto which it can project its own have-not status in the modern world, would have us believe that the American Indian was an admirable example of the Noble Savage until the evil white man appeared. Even though it is beyond question that the Indians were cruelly mistreated time and again by the whites, it is also beyond question (though seldom mentioned by Left-wing historians) that the main business of many of the tribes long before the white man arrived was warfare with other tribes, complete with cruelties that often rivalled any that the whites inflicted.

The ritualistic tortures [of captured war prisoners by the Iroquois] went on for hours, beginning with heavy blows designed to inflict pain without serious injury, followed by physical abuse, including the tearing out of fingernails and the poking of sensitive body parts with fire-brands. Then the captives were allowed to eat and rest and later compelled to dance while the Indians decided their fate, either to adopt or to execute them. If slated for execution, the prisoners were burned once again systematically from the feet up. If they swooned too soon, they were revived and fed until the burning was resumed.

Before the prisoners expired, they were scalped and had hot sand thrown on their exposed skulls. They were finally killed by a knife to the chest or a hatchet to the neck. Then the victims’ flesh was stripped and thrown into cooking kettles, and the whole village feasted on the remains. Although the Iroquois executed mostly male captives, they occasionally tortured and killed women and children.”

— Wood, Gordon S., citing material in a book by Daniel K. Richter (no reference), as part of Wood’s review, “Apologies to the Iroquois”, of Taylor, Alan, *The Divided Ground: Indians, Settlers, and the Northern Borderland of the American Revolution*, in *The New York Review of Books*, Apr. 6, 2006.

The Enclave Theory: instead of trying to change human nature (which history strongly suggests is, in all practical respects, impossible), or trying to fit individual political programs to vast numbers of people, the best alternative may be the establishing of enclaves, i.e., small geographic areas occupied largely by people who share similar political and/or economic views. Berkeley is one such enclave (liberals), Silicon Valley another (high-tech entrepreneurs), certain rural areas of California and Oregon are others (farmers, loggers), much of the state of Utah is another (Mormons), so are parts of Pennsylvania (Amish), as are various retirement communities, not to men-

tion Beverly Hills (movie industry participants and hangers-on), Wall Street (financiers, brokers), etc. As these examples suggest, enclaves of great diversity are still possible in the U.S.

“Libertarians Pursue New Political Goal: State of Their Own — ...an upstart political movement..., the Free State Project, aims to make all of New Hampshire a laboratory for libertarian politics by recruiting libertarian-leaning people from across the country to move to New Hampshire and throw their collective weight around...Once here, they intend to do...all they can to sow the libertarian ideals of curbing taxes, minimizing regulation of guns and drugs, privatizing schools and reducing government programs.” — *The New York Times*, Oct. 27, 2003, pp. A1, A16.

“Not long ago, people said that globalization and the revolution in communications technology would bring us all together. But the opposite is true. People are taking advantage of freedom and technology to create new groups and cultural zones...People are moving into self-segregating communities with people like themselves, and building invisible and sometimes visible barriers to keep strangers out.” — Brooks, David, “All Cultures Are Not Equal”, *The New York Times*, Op-Ed page, Aug. 11, 2005, p. A23.

Anyone who lived through the eight years of the Bush administration and witnessed how impervious the neo-conservatives and their fundamentalist allies were to the realities of the modern world and, in particular, to the whole notion of fair-minded debate and compromise, must have difficulty believing that such dim brains will ever be capable of arriving at a modus vivendi with those who in fact do have some grasp of what it means to live in the modern world. Far better if they took over a few states, say, Louisiana and Alaska, and established the political culture they want to live in. Bible-thumping anti-abortionists belong in a country of their own.

Enclaves may well be the answer to one of the oldest and most fundamental questions of political science, “How shall we live together?”

There are people who are best described as “culturists” rather than racists. For example, they are prejudiced against blacks who speak ghetto English, but they have little or no prejudice against blacks who speak like educated whites. This prejudice is illustrated by the culturist attitude toward black criminals: a ghetto-speaking black who protests his innocence of a crime will be viewed with skepticism; a white-speaking black will often be believed.

No matter what the Left may want to believe, a major proportion of white racial prejudice in the North, particularly among middle and upper class whites, is really prejudice against the perceived threat of *loser* culture which blacks are seen to represent. There are many ways to test this claim, e.g., by observing reactions to a family of white-speaking, white-behaving blacks moving into a predominantly white neighborhood, and a family of ghetto-speaking, ghetto-behaving blacks move into an equivalent neighborhood. (“Ghetto-behaving” here meaning not violent but, e.g., not taking care of the yard, playing loud music.) Or by having two blacks with identical education and work experience apply for the same job, the one black speaking excellent white-English, the other speaking ghetto-English.

In some West Coast cities, you can go all day without hearing English spoken without an accent, if at all. We have become foreigners in our own country.

(Only a few years ago, this was regarded as a “radical” statement. Now it has become, if anything, an understatement.)

An inexpensive way to reduce illegal immigration into California: each day, have a U.S. Border Patrol plane fly along the border on the Mexican side and at some point drop a brightly-colored parachute carrying, in pesos, more than the annual income of a typical migrant worker — say, more than \$15,000. The time and place of the drop could be selected at random, or be decided on the basis of ongoing experience.

The annual cost of this program would be \$5,475,000, which is 0.87% — in other words, less than 1/100 — of the 1997 Border Patrol budget! The number of parachute drops, and the amount per drop, could thus be increased considerably, depending on results, and still require a very small increase in the Border Patrol budget.

Those who are skeptical of the chances of success of such a program should keep in mind the perennial popularity of gambling casinos and state lotteries.

There is no reason why those who want unrestricted immigration from Third World countries should be prevented from satisfying the caretaker needs that are motivating this desire: all we need to do is require that these persons agree to sponsor each immigrant family allowed into the country, and that the responsibilities of sponsorship include not only supporting the family if it is unable to support itself, but also reimbursing the victims of any crimes committed by members of the immigrant family.

If you want to know which immigrants will become assimilated most rapidly into the culture of a Western country, ask which are People of the Book¹. These are the ones who will have the best chances (witness the success in the U.S. of European and Asian immigrants). For reasons that no one understands at present, it seems to be enormously difficult for cultures which do not have a tradition of the Book, to master even the basics of survival in Western culture. Learning to read, write, and do basic arithmetic are formidable obstacles which many seem never to be able to overcome. Saving for the future, planning ahead, particularly when it comes to deciding how many children to have, seem to be modes of behavior which make no sense to them.

On the laziness of black- and brown-skinned people: our multicultural deep thinkers are intent on making us believe that this laziness is purely a product of imperialism and racism and global capitalism — that but for what the whites have done to them, the black- and brown-skinned peoples of the world would in reality be as hard workers as any European or WASP. But let us try to do a little thinking of our own on this subject, and ask if laziness is not in fact a good, perhaps a necessary, survival mechanism among people living in hot climates. We whites, no matter how motivated and hard-working we may be at home, also become lazy and less productive — certainly less inclined to spend time *thinking* — in these climates. We feel — correctly, I believe — that our number one task after tending to our basic needs is to save our energy by doing as little as possible.

1. “the Book” does not mean the Bible, here. It means a literary tradition.

We cannot hope to understand the tyranny and savagery that flourishes in hot climates like the Middle East until we understand what the climate itself does to people. Oppressive, day-in, day-out heat is itself a tyrant. To survive is to be able to endure this tyranny. Is it not possible that, in the minds of natives, living in such conditions justifies any form of cruelty and outrage, and makes tyranny the natural form of their own governments?

A concept that is becoming more and more important is that of “microcultures”, meaning, the subcultures within a given larger culture — e.g., political parties, professions, trades, academic and other specialties, schools of art and literature, departments in a bureaucracy, neighborhoods. One goal of the study of such cultures will be to determine how the culture’s activities are aimed at preserving the culture itself (regardless of what the stated purpose of these activities are). The devising of tests to make this determination will be no mean trick. In the case of academic specialties, one good test is the submitting to journals, papers by well-established authors, in which the authors’ names and, most important, school affiliations have been changed to those of fictitious professors at little- or un-known universities, the acceptance rate in the latter case then being compared to the acceptance rate of the professors under their own names and actual school affiliations. Another — probably applicable only in the humanities — is the deliberate submitting of bogus papers, e.g., papers using excessive jargon of the type that is popular in the field, but which have been carefully contrived to communicate mere nonsense, and then recording which, if any, journals accept such papers. (This is a wonderful test of the intellectual substance of a specialty, and we must wonder why it is not a routine practice in the humanities, for, if the language of the specialty is so poorly developed that its own experts cannot almost always distinguish fiction from reality, what exactly does the specialty purport to be doing?)

I once knew a professor who in his late forties looked not a day over twenty. In fact, he was frequently asked for proof of age when he attempted to buy a bottle of wine. Needless to say, young women students were more than willing to go to bed with him.

But his income demanded that he watch his pennies and, probably as a result, he was deeply bothered by the disparities in income in the U.S. He thought that a first step toward rectifying the situation would be to ban the private ownership of property. He thought that the taxes on the rich should be vastly increased and the additional money given to ghetto schools. In short, he firmly believed that those who have an excess of good things, should be willing to share them with those less fortunate.

The question I always wanted to put to him, and never did, was this: suppose it were possible for varying degrees of one’s looks to be transferred (not copied, but transferred) to other people, e.g., to the genuinely ugly or disfigured. Would he agree to give up some of his looks, and if so, how much?

We shouldn’t be worrying about disparities in wealth: we should be worrying about disparities in intelligence, because this is already the real determiner of social class. The difference in intelligence among human beings is far greater than the difference in intelligence between the higher animals — dogs, chimpanzees — and the least intelligent humans. And just as the rich of old

made sure that their children also were rich, and that interlopers had a difficult time breaking into the charmed circle, so the very intelligent make sure that their children are also very intelligent, and that the less bright are kept where they belong. Arguments from heredity are used by both groups to bolster their privileged status, in the case of intelligence the argument running, in effect, “Don’t even bother to try: you are doomed to failure: *trying is useless because you don’t have the physical equipment you need to succeed*,” which can break the will of even the most determined student.

William F. Buckley, Jr., probably did more harm to the reputation of debating than any other individual alive. On his TV program *Firing Line*, it was clear that he regarded debating as an exercise in archness, in the smug refuting of whatever the opposition said — in short, as an exercise in the skillful expression of contempt. A measure of the Not-Getting-It of even the educated TV audience that watched these debates, was that the debates were considered “intellectually stimulating.”

But debating *can* be used as a means of arriving at a consensus between sides with differing views. Such an enterprise must begin with both sides agreeing that the goal is not the victory of one side over the other, but that instead the goal is a decision, plan, etc., that will give each side as much as possible of what it desires. Let us see what would be necessary to achieve this.

Clearly, the first step is an agreement on the goal of the debate, e.g., a decision as to the number of trees to be cut and replanted in a city’s downtown, or the wording of legislation to ban sales of certain guns, or the outline of a medical plan for the nation.

The second step is an agreement on what are to be considered objective sources of data. These sources will typically include certain published government statistics. The purpose here is to eliminate the futile arguments based on data that has been created by individuals or institutions with a vested interest in publishing certain favorable data and not publishing unfavorable data.

Next, both sides must give evidence that they understand that there are at least two categories of arguments in the proposed debate: (1) arguments over the facts, i.e., over what the data mean; and (2) arguments over the outcomes of proposed policies and plans of actions. The next step is having adequate computer facilities on hand to keep track of each side’s arithmetic and to present the various financial proposals in some readily understandable form, e.g., rectangular charts as described under “Improving the Political Process” on page 160. There is no reason why such facilities could not also include programs to calculate the effect of different weightings of important parameters in the debate, many of which can be expressed in terms of percentages of budgets, so that the question, “How important is on-going maintenance to you once this project is completed?” can be translated into “What percentage of the total annual budget allotted to this project after completion do you want applied to maintenance?”

Finally, both sides must agree to a follow-up debate sufficiently far into the future so that results of agreed-upon policies and plans of action can be reviewed. In other words, “predictions must follow the predictor”. There is no reason why debate carried on along these lines cannot be as useful a tool as Roberts’ Rules of Order or in fact the voting process itself in arriving at political decisions.

“Every assertion has a location.” In heated political arguments, e.g., those concerning the justifiability of the Iraq War, we hear “the same things over and over”. Suppose we made a list of all

the assertions in all such arguments. These would include (in the case of the Iraq debate) “Saddam has weapons of mass destruction,” “We will lose thousands of men”, “Saddam has ties to Al Qaeda”, “We cannot be sure what Syria will do,” etc. But each assertion has a location in one or more arguments. If we knew, for each assertion, all the locations it occupies in all the arguments in which it “can” appear, then there would be no need for all those words. A speaker would only need to say, e.g., “The assertion in location x !”