

A Word from London

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The Critics of Capitalism

In a systematic effort to challenge the virtues of capitalism espoused by the Bush administration, social critics have seized on Dinesh D'Souza's new book *The Virtue of Prosperity* as an exemplar of conservative sentiment.

Walter Goodman of the *New York Times*, for example, quotes D'Souza's statement that "The prime culprit in causing social inequality seems to be merit." Goodman goes on to note

The guy who is worth little has probably produced little of value. By the same token, the guy who's earning twice as much as you is most likely—perish the thought—twice as good as you are.

Presumably this is a frank assertion of conservative assumptions, what Goodman calls the voice "in the clubby precincts of the rich." What Goodman ignores, of course, is both the reality of conservative views as well as the complexity of what he has simplified.

While D'Souza does point out the disproportionate evidence of social pathology among the poor, including high rates of alcohol abuse, narcotics use, divorce, crime and illegitimacy, he also notes that climbing out of the pit of poverty is not only possible, but a frequent occurrence.

Capitalism is not a utopia, but the likelihood one can "make it" is enhanced by a free market system that can reward intelligence, hard work, diligence and luck.

Academics who are invariably bright and measure merit solely in a way to enhance their market position, often decry a capitalist system that rewards lesser intellectual lights. They cannot appreciate the fact that merit is a fungible idea.

The person who markets an idea effectively and finds a niche in the market may be financially successful, even when his intellectual prowess is limited. Hollywood, to cite one example, is filled with marginally talented people who manage to find a niche for their modest contributions to the popular arts.

This doesn't mean that the guy who earns twice as much as you is likely to be twice as good as you. But it does mean that whatever skill is in question—whether hitting a jump shot from 20 feet or hitting a baseball 500 feet—the market will determine value.

Is that fair? For those bright people whose talent is not valued by the market, capitalism will seem very unfair. But the virtue of capitalism is that neither ascription nor preordained skill count for much. Value is found in the tests of the market.

Losers are not to blame; they are the continual testers in the marketplace. Some win and some of the same people lose and win.

Those who may seem undeserving are those who by dint of personal habit such as drug abuse are incapable of even testing the market. Similarly, the new rich aren't so special except that the market has responded affirmatively to their ideas and corresponding rewards have followed.

What gives capitalism its energy is unpredictability. You can't be sure who will succeed or fail. Absurd notions like a pet rock can engender a financial windfall, while the first experimental fax machine was a financial failure. Timing is critical.

Will the magic of the market "lift all boats"? That isn't likely, but it is true that the expansion of the economy helps the poor as much as the rich. Moreover, expansion increases the probability new opportunities will emerge in the market.

For the critics of capitalism the very existence of a bottom quartile—a statistical imperative—is infuriating. They envision only a class struggle in a zero sum economy.

But the essence of capitalism is that despite a hierarchical system in which some prosper and some fail, there is an opportunity for the poor to get rich and the rich to get richer.

That is a story the critics overlook. Of course, their point of view is understandable. Without class warfare there isn't much for the critics of capitalism to discuss.

Jesse Jackson and His Financial Empire

Recent media revelations indicate that Jesse Jackson's payments to his mistress, Karin Stanford, represent only the tip of the proverbial iceberg in his malodorous, far-flung financial empire.

Last year alone the combined intake of his nonprofit organizations was more than \$17 million. His own annual income is about \$430,000, he says, including \$120,000 from his church, \$260,000 from his show on CNN and the remainder from speaking fees. But even if this figure is accurate, it doesn't take into account his perks, which double that figure.

While there is unquestionably accounting legerdemain at the Citizen Education Fund and Push, two of Jackson's not-for-profit organizations, the key to his empire is found in corporate contributions.

Now that the media spotlight is turned to nagging questions about inadequate disclosure and extortionate techniques for fundraising, corporate donors may be less inclined to support Jackson's many causes.

Until these revelations hit the tabloids, Jackson had a knack—some might call it chutzpah—for inserting himself into major business deals that benefit his friends, family and organizations. He calls it trying to ensure that minorities have "access to capital."

Perhaps the most notable of these programs is his Wall Street Project. With President Clinton at his side, Jackson demanded minority hiring and contracting with black-owned businesses. Should companies reject his appeal, a boycott and nasty publicity might follow. Most firms have decided it is better to give in than fight.

His Rainbow Push Coalition owns stock in more than 250 corporations giving

him access to stockholder meetings so, as he puts it, “we can go and picket as shareholders instead of sharecroppers.” It is hardly surprising that many corporate leaders call Jackson’s strategy “a shakedown.”

In addition, Jackson promotes these minority businesses where he has an interest, such as Inner City Broadcasting and NCM Capital Management Group.

When his New York imitator Reverend Al Sharpton called for a boycott against Burger King restaurants, claiming they lacked minority-owned franchises, Jackson stepped in and defended the company, calling the boycott “premature.” Jackson neglected to point out that Burger King donations to his organization were at \$500,000.

In 1999 Jackson negotiated a settlement between Boeing and 13,000 employees claiming racial discrimination. Afterward, Boeing donated \$50,000 to the Citizenship Education Fund, the first of several gifts. In addition, Boeing contracted with several minority investment banks Jackson recommended for the management of its pension funds.

In 1998 Jackson publicly backed the merger of Citibank and Travelers, whose CEO, Sandy Weil, is a major supporter of the Wall Street Project.

Dozens of examples citing Jackson’s shakedown techniques have appeared in the *Chicago Sun Times* and *Organization Trends*, a publication of the Capital Research Center.

What remains interesting is the cover-up within the Democratic party and the extent to which party leaders, including President Clinton, were complicit in Jackson’s money schemes.

Perhaps this isn’t surprising. When Jackson publicly endorsed Jon Corzine in his run for senator in New Jersey, the Corzine Foundation sent a \$50,000 grant to the Rainbow Push Coalition.

Keep Hope Alive PAC received a contribution from James Zogby, President of the Arab American Institute, the same organization that attracted more than \$400,000 for Jackson efforts and that supported him in his 1988 presidential campaign.

Jackson’s organizations have also been well treated by the Federal Government under the leadership of Democratic presidents. The Carter administration alone gave \$6.5 million in grants to Jackson’s not-for-profit groups. This sum was more than doubled during the Clinton years.

This tangled web of for-profit and not-for-profit organizations in Jackson’s empire has pushed the envelope of legal procedures to the edge and has engaged in practices that would have undoubtedly led to federal investigation if the person in question were not named Jesse Jackson.

New York Post columnist Rod Dreher, for example, asks how the Citizenship Education Fund retains tax-exempt status while reporting only \$15,699 in education and research expenses and \$1.3 million for travel, \$1.3 million for consultants and \$1.1 million for conferences. It’s a good question.

Clearly answers are needed and only a thorough external audit can provide them. With evidence building each day it is already clear Jackson’s organizations do not deserve corporate support. It’s time to say no more to the country’s biggest “extortion racket.”

Parental Choice? The Brooklyn Experience Makes One Wonder

For a considerable period I've been a proponent of vouchers for public schools. My belief stems from my confidence that if left to their own devices with accompanying tax levied funds, parents will make the appropriate educational decision for their children.

My confidence in this matter, based on recent events in New York City, has been shaken.

Recently a plan to privatize the management of five failing schools by Edison Schools, Inc., a for-profit company, was defeated by local parents.

Leading the opposition was Bertha Lewis, the executive director of Acorn, a community organizing group in Brooklyn. Although more than 2000 parents did vote in this community-wide plebiscite, they were outnumbered by the approximately 3000 who did not vote. Still, through outright opposition or apathy, the Edison proposal was defeated.

Some parents seemed to be offended by the Edison videotape selling the project which appeared intended for stockholders rather than parents. But it is also the case that the United Federation of Teachers, reflexively opposed to any school privatization scheme, lobbied vigorously against the proposal.

Big political guns were summoned for the battle. Reverend Al Sharpton, Congressman Charles Rangel and former mayor David Dinkins all spoke out against the Edison contract. Ironically all three of these figures send or sent their children to private schools.

Despite endorsements from Mayor Giuliani and other public figures—possibly because of these endorsements—Edison received a stinging rebuke, even though it has a sterling record of saving failing schools in many communities across the country.

In this case the record counted for very little. The stakes were large and the U.F.T. sought and found a blueprint for defeating privatization plans. As a result of this local defeat the Edison stock price declined by nineteen percent in the two weeks after the Brooklyn vote.

Nonetheless, Edison currently manages 113 schools in 45 cities and, if even a portion of the testimonials are credible, does an extraordinary job in what are generally marginal schools.

Yet that message was lost in the negative media barrage. Brooklyn parents were sold a bill of goods, i.e. that Edison was out to milk the community for stockholder profits. As former Mayor Dinkins noted, "The parents were told you have no option but to continue with crummy schools or give them to Edison." Neither option was considered desirable.

Chancellor Harold Levy, who has been lukewarm about all privatization arrangements, said he planned "to pump substantially more money into these failing schools." That money might not be the answer has not occurred to Mr. Levy.

Educational systems in which judges required additional tax support in an effort at "equalization" have not substantially changed because of more money. On the contrary, money may mean less than U.F.T. leaders would have you believe.

That the public in question could be so gullible or bamboozled, however, does give one pause. After all, neither Acorn nor the Board of Education have a plan for the failing schools. Moreover, no one questions the claim that these schools are failing.

In the face of these conditions it might be assumed that parents would entertain a serious alternative. That did not prove to be the case.

Admittedly New York is a uniquely charged political environment. The amount of energy and resources needed to effectuate any change is disproportionate to the likely outcome.

Still the Brooklyn experience has made me wary. If parents can be manipulated there, why not elsewhere? If privatization is rejected because profit is engendered, why won't privatization be the target of propagandists?

I remain a firm believer in vouchers and privatization arrangements, but I am no longer quite so sanguine about the ability of parents to make the right choice. Inner city communities are filled with hucksters who are out to bilk members of their own neighborhoods. They set a trap for Edison in Brooklyn even when other educational options were not immediately available.

If this judgment seems harsh, ask yourself why a significant proportion of New York City teachers send their children to private schools and why the leading spokesmen against privatization send checks to private schools for their own children. If only the parents in Brooklyn knew that before they voted against Edison.

“The Evolution of History”

I have often asked myself why history, the discipline that records the past, should have been transformed from the source of literal conservatism, i.e. reliance on archival material, to a radical impulse that seeks to effectuate change.

Surely those young historians who reached the age of professional standing in the late sixties and seventies were influenced by the Vietnam War, the rise of feminism and the so-called environmental movement. Each of these concerns moved acolytes from the desk chairs to the streets as action, rather than reflection, became the generational mode of behavior.

Yet in my judgment this explanation is at best partial since it omits the nature of historiography itself.

As I see it, the radical historians weaned on liberal attitudes were generally anti-Communists. Senator Joseph McCarthy was the exemplar of everything wrong with America. He was in their stereotypical judgment a bully who made irrational assertions, which in turn had a chastening effect on free speech and academic freedoms.

Since there were historians and public intellectuals who shared an anti-Communist view, e.g. Irving Kristol, Sidney Hook, Arthur Schlesinger, among others, they were seen in this Manichean world view as McCarthyite sympathizers, even though they publicly repudiated McCarthy's tactics.

In the febrile emotion of the period, inadvertent allies of an enemy were adjudged enemies as well. To be adamantly opposed to Communism was consid-

ered in simplistic terms as McCarthyism.

Once the attack on “liberal” historians began, a Pandora’s box of issues emerged. The radical critique included the legitimate claim that much of American history didn’t address or glossed over wrongs leveled against blacks. It was asserted that poverty was denied and class distinctions overlooked.

For the new breed of radical historians, the generation of “vital centrists” was complacent and out of touch with the real America, the unseen underbelly of exploitation and dark motives.

The radicals did not observe American institutions balanced in a system of countervailing forces such as the separation of powers. They saw only power, those who have it and those who don’t.

Moreover, this critique was focused not on the Communists who were apologists for espionage, the Gulag and mass murder, but on historians who were insufficiently attentive to the real and perceived grievances in the nation’s past.

In style and substance history was altered from the major figures and events in the past to Mr. and Mrs. John Doe, the anonymous people who in the aggregate comprise the nation. Leaders were inserted into the scenario as manipulators who sent American boys to foreign wars or unscrupulous figures who promoted the interests of the very powerful.

For this “new” breed of historian evidence is to be used in order to promote social goals. The past doesn’t offer pride and gratification, but rather shame and apologies. The demythologizing of America meant scoffing at a people who describe themselves as “exceptional.”

In dealing with the overlooked or ignored dimensions of American history, the radical historians performed a modest service. But in emphasizing only power, in refusing to consider the nation’s enormous accomplishments, in denying American’ role as a beacon of light for oppressed people, the radical historians have engaged in a disservice.

What is arguably most interesting about the present state of scholarly affairs is that the radical critique has largely replaced liberal history.

Students of history can wax lugubriously over the institution of slavery, but probably cannot recite the essential arguments in the *Federalist Papers*.

Historians now spend endless hours discussing Abraham Lincoln’s “homosexual inclinations,” but overlook his political tactics in attempting to keep the nation intact.

In fact, history has become the handmaiden of a new social order that is largely utopian and intentionally ignorant of national achievements. To the extent that history as a discipline is largely activist in orientation and avoids evidence which sustains the glories of the past, it is not history. But this too has undergone revision.

Rap Music and Western Civilization

The end of Western Civilization? Who knows. The end of civility? Without question. The unfolding of human degradation? Indubitably.

These are not questions about apocalypse addressed in an abstract sense; they are questions that emerge from a careful reading of the most popular rap lyrics in the nation.

During the last election cycle vice presidential candidate Senator Joe Lieberman decried the abominable lyrics of rap music wired into the brains of adolescents through portable recorders. Senator Lieberman was not alone. Former Secretary of Education Bill Bennett made an impassioned plea to the record companies to control the content of their music.

But the election passed; the cultural issues faded from public view and the record companies returned to business as usual.

For those of us who care about such matters this is a lamentable result, particularly when the lyrics have an even rougher edge than in the past.

In “Big Pimpin’” Jay Z—employing language that cannot appear in a family newspaper—writes and sings:

You know I — thug em, f—k em, love em
 Cause I don’t f—kin need em
 Take em out the hood, keep em lookin good
 But I don’t f—kin feed em
 First time they fuzz I’m breezin
 Talkin bout ‘What’s the reasons?’
 I’m a pimp in every sense of the word, b—ch

Eminem who won a Grammy Award for “The Real Slim Shady” raps:

and if I’m lucky you might just give it a little kiss
 and that’s the message that we deliver to little kids
 and expect them not to know what a woman’s clitoris is
 of course they gonna know what intercourse is”

In verse two of the same rap song he notes:

“Will Smith don’t gotta cuss in his raps to sell records
 Well I do, so f—k him and f—k you
 You think I give a damn about a Grammy?”

In collaborative effort Dr. Dre and Snoop Dogg in a rap song entitled “The Next Episode” sing the following:

Top Dogg, bite me all, nig— burn the s—t up
 D-P-G-C my nig— turn that s—t up
 C-P-T, L-B-C, yeah we hookin back up
 And when they bang this in the club baby you got to get up
 Thug nig—z drug dealers yeah they givin it up
 Lowlife, yo’ life, boy we livin it up
 Takin chances while we dancin in the party fo’ sho’
 Slip my hoe a forty-fo’ and she got in the back do’
 B—ches lookin at me strange but you know I don’t care
 Step up in this motherf—ker just a-swangin my hair
 B—ch quit talkin, quick walk if you down with the set

Take a bullet with some d—ck and take this dope from this jet
Out of town, put it down for the Father of Rap
And if yo' ass get cracked, b—ch shut yo' trap
Come back, get back, that's the part of success
If you believe in the X you'll be reliev'in your stress

The three songs cited were not selected with the intention of shocking a reading audience; these songs are representative of a genre, a street ghetto genre that is coarse, blasphemous, rebellious, vulgar and most notably misogynistic.

In 2000 these three songs and the accompanying videos had the most plays on MTV.

Try as they will, record executives contend that the lyrics do not lead to coarse behavior. This is said with some disingenuousness since violence is manifest in the entire rap world.

What remains curious is the conspicuous silence of feminists. Here is so-called music that treats women as objects, that degrades and humiliates them. Yet not a word from NOW about Dr. Dre. How can this be explained?

Is there a fear that any criticism of rap will be interpreted as racism? Several feminist professors such as Catherine McKinnon, have called for speech codes at American universities in order to detect and remove language that might be offensive to women, words such as “freshman.”

When it comes to degradation in rap however, even the call for unspeakably brutal acts, the feminists avert their gaze.

But it is not only the feminists who are silent. Many parents profess ignorance about this matter or won't confront their sullen teenagers who sit silently with earphones listening to rot that poisons the soul.

On the one hand, for two generations Americans have been told to be sensitive, to empathize with others who have a different cultural perspective. Yet now that “different perspective” is vandalizing middle class homes and undermining bourgeois morality.

Americans are often told that guns are a threat to our future since they are easy to obtain and their lethality is demonstrable. Yet rap lyricists refer breezily to gun possession, “a forty-fo.” Where are the gun controllers when it comes to rap music?

The vandals are not merely outside the walls ready to tear down civilization. They are inside the walls honored for their vulgar behavior, rich beyond the imagination of Croesus and protected by a Constitution they deplore.

The more they cuss and call for violence, the more they spread the crass truths of ghetto life across America, the more withdrawn middle class kids like the message or at least are exposed to the message.

In the end there will be a price to be paid for this cultural avoidance; it is the price one always pays for ignoring evil.

Some of the best potential minds will be decimated. Culture will be assaulted beyond repair and the nation will be undermined from within. Are these claims exaggerated? Read the lyrics of these rap songs before you answer. Ω