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Rich Vs. Poor Is Not The Right Debate

Sramana Mitra, 11.20.09, 6:00 AM ET

I have received numerous comments from readers on my recent column, [Capitalism's Fundamental Flaw](#). A wide range of ideas and explanations of our current plight were offered, including one comment that pointed out that as long as there is a government and it regulates, we are not practicing free-market capitalism.

Well, maybe not. But fighting windmills is not a worthwhile use of my time. Governments will be there, and to an extent, they will regulate. Some more, some less. So this is an issue that I am not willing to invest energy on (see [Capitalism 2.0: Speculator vs. Creator](#).)

Instead, the point I think is central to America's future today is the speculator vs. value creator debate, and my observation is that the American media has focused on a rich vs. poor debate instead. Demoning the rich will not help. As William J. H. Boetcker (not Abraham Lincoln) aptly put it:

You cannot help the poor by destroying the rich.
You cannot strengthen the weak by weakening the strong.
You cannot bring about prosperity by discouraging thrift.
You cannot lift the wage earner up by pulling the wage payer down.
You cannot further the brotherhood of man by inciting class hatred.
You cannot build character and courage by taking away people's initiative and independence.
You cannot help people permanently by doing for them, what they could and should do for themselves.

Now, if we shift the media's focus to the speculator vs. creator question, we logically arrive at the solution for the most critical American issue: jobs for 30 million people.

We focus on and celebrate those entrepreneurs who are starting and running businesses of their own and creating livelihoods for themselves. And we focus on celebrating those who are growing their small businesses enough to be able to offer employment to others.

And this is a class of people who are under tremendous pressure right now. They are facing an unprecedented credit crunch, a tight-fisted consumer economy because of the lost jobs, and they are physically and emotionally drained. Fifty-year-old family businesses are closing shop, demolishing the very foundation upon which the American economy has been built.

The American people, I believe, have never begrudged the entrepreneur's fortune. Bill Gates, Steve Jobs, Larry Page and Sergey Brin stand for the best that America has to offer: Innovation. Creation.

To the extent that these entrepreneurs have engaged in wealth creation for themselves has never been a problem, because in the process, they have changed the world and created millions of jobs. They have created whole new industries, new post-Industrial Revolution professions to replenish the job losses due to innovation, and the American people are not stupid enough to question their rights to huge fortunes. In fact, they have inspired numerous other entrepreneurs, who in turn have created businesses, jobs, and yes, wealth for themselves.

But the speculators need to be treated differently, and if the American people are angry about one class of people, it is the speculators. The free-riders. The irresponsible risk-takers. Those who have swindled. Those who have brought the system to its knees. And in return, they have been bailed out by the government, and now are laughing their way to obscene bonuses.

America needs to start asking serious questions about its future. Do we continue to treat the speculators and the value creators the same way? Does the same tax code apply to these two classes of people? Does free-market capitalism indeed suffice to

restrain the destructive power of these Madoffian devils?

These days, there is a lot of talk about revolution. People are saying, the kind of inequality that we face today is the stuff that revolutions are made of.

Well, if a revolution does occur, members of the American media, it is your job to make sure that it happens with the right focus and against the right constituency. For if a rich vs. poor debate continues to foment in America, it will not only crash those who destroy but it will also crash those vital people who build.

The American people, if they listen to nitwits like Michael Moore, will successfully throw out the proverbial baby with the bathwater--the entrepreneur, the value creator, the ones who hold the key to a sustainable world economy.

This is a serious issue. Friends and colleagues in the American media: You need to manage this debate before it gets out of control.

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