

15. Capitalist Greed and Profit

Capitalism is an economic system and theory that assumes those with wealth are enlightened and wise and choose to invest that wealth where it is most needed to meet the needs of society. That investment creates enterprises and jobs to focus activity on solving problems and improving conditions for all.

One of capitalism's foundations was the work of Adam Smith, summarized by the idea that free markets work almost magically, "as if guided by an invisible hand," to automatically focus resources and efforts on what society needs through the "enlightened self-interests" of its participants. Let free markets be, and they'll solve all problems. That is dogmatic belief, like believing Earth rides on a giant turtle's back.

Capitalism has an intensity of belief in the U.S. usually held by religions. In fact, one might say capitalism is now the state religion of the U.S. We believe our purpose is to participate in free markets and do all we can to get fake money, because that magically and automatically leads to what is best for all. Economics is a pseudoscience that promotes the capitalist belief system, to primarily benefit the rich.

Unfortunately, there is at least one enormous problem with this vehement belief: ignorance of the most important word in Adam Smith's dogmatic supposition – "enlightened." Enlightened assumes an educated, informed and experienced wisdom in capitalism's participants, and most participants in U.S. capitalism are far from enlightened. In reality, "greedy" has been substituted for "enlightened." Provide no oversight of U.S. business and people's greedy self-interests will magically make everything good for everybody? That defies common sense. It is also clearly not working.

Greed is a base and destructive force, a lower energy and motivation, one of the seven deadly sins. Greed assumes "more is better," no matter how much one has. It leads billionaires who could not spend all their money to continue to feverishly, relentlessly and ruthlessly strive to accumulate more. It's led to a grotesque disparity of income and wealth that's created unfairness, suffering and instability. It is essentially a grave social disease that has infected a large majority of the population.

In U.S. capitalism there's a perverse incentive for social systems to be broken, because that creates business needs. It's relatively simple and inexpensive to create a healthcare system providing for the basic healthcare needs of all. Many countries have done it. Everyone pools healthcare interests into a non-profit, single payer system that provides healthcare services agreed on, and each pays into that.

Like AAA, at the end of the year, future payments are adjusted, according to expenses actually realized during the year. Administration is simple and cheap. It works for everyone, costs about half what the U.S. spends on its health system now, which leaves millions without healthcare, and all have the security and peace of mind of knowing they will receive the healthcare they need, if they need it.

In its capitalist system, U.S. people make billions of dollars and employ tens of thousands of people in unnecessary and expensive services solving unenlightened problems resulting from the brokenness of the healthcare system, like administrative nightmares and trying to exclude those who need healthcare.

No matter what their mission statements say, or what else they present to the public, for most U.S. corporations the real mission is to make as much money for its owners as possible in the form of profit. That means charge as much money for what you sell as you can possibly get away with and spend as little money doing it as possible. Employees, almost certainly management, are incented with money

based on how well they do that. Management is bribed with obscene compensation schemes to align their self-interests with those of the investors who provide the capital/money to fund the business.

Management compensation in the U.S. has risen to multiples of as much as hundreds of times higher than the compensation of average employees in the same company, so managers are heavily incented, bribed, to maximize short-term profits and payouts to capitalists, who may have only superficial interest in whatever the stated mission of the company is. Management exerts military-like command control over the staff and activities of the business, and owners control management. It is the dream of most employees to become management, so they can be bought off in the future, and part of the structural corruption is to make it at least seem possible for anyone to do so. Anyone can be management.

From the perspective of society, profit is overhead. In a business plan, a fair return on capital, like a fair interest rate on a loan, is a normal cost of doing business. Profit is an abnormal return, more than fair. It is like usurious interest in excess of what is fair and moral. From the perspective of society, profit is an unnecessary cost that exceeds the normal and fair costs to meet the funding needs of the business. Profit is an extraction of wealth from society, a cost burden on society.

During the Cold War, intellectual capitalist priests commonly argued and preached that Democratic free market capitalism was better than communist central command economies. Members of communist societies were oppressed, depressed and dispirited by central decision-making and control, compared to free Democratic societies, and their quality of life was much worse. Capitalism creates centralized command and control systems, with power at the top. Of the world's largest 100 economic entities, ranked by revenues, 69 are centralized command and control corporations and only 31 are nations.¹

The U.S. is dominated by centralized command and control corporations whose stated or unstated missions are to maximize monetary profits, returns in excess of what is fair, for their wealthy owners. Yet, many U.S. people pretend our country's run as a free democracy where the power's in the people. That is a sadly and profoundly corrupted ruse.

Theoretically, a corporation is created by a charter from an overseeing government. The government theoretically gives permission to an enterprise to execute a mission it approves of, for the good of society, but does not want to operate itself. It could revoke that charter at any time if the enterprise abuses its role in society, causes harm or does not deliver on its promises of social good.

Today, any human can create a corporation, for any purpose, by doing a little paperwork and paying small fees. The charters are granted automatically and only very rarely revoked. A corporation has most privileges of citizens, but does not have the morality or many of the responsibilities of citizens. Corporations are puppet figure its owners can manipulate into doing what they want, while hiding their responsibilities as "enlightened" citizens behind the stage curtain. It shields the owner from risks of being held accountable for the actions of its puppet. The puppeteers now run the country.

Capitalism in the U.S. is now a controlling state religious system of enshrined greed, an illness on a pedestal all are encouraged to allow. There's no separation of church and state between the religion of capitalist greed and the U.S. government of pretend democracy. Society is failing under the burden of capitalism's profit overhead and demands. That capitalist religion is in conflict with the ideals and values of our democratic government, and capitalism is corrupting and prevailing over our government.

We have 2 systems of government/control, capitalism and representative democracy. Capitalism runs representative democracy. Representative democracy is a front for capitalism. That is harming us.

We need to replace the capitalism religion as it is practiced in the U.S. today with a new belief system, and we need to constrain opportunities for greedy capitalist abuses of humanity, life and nature.

¹ "The world's top 100 economies: 31 countries; 69 corporations", Duncan Green, September 20, 2016, The World Bank, <https://blogs.worldbank.org/publicsphere/world-s-top-100-economies-31-countries-69-corporations>