

Governments Exist to Further the Interests of “Favored Groups”

"We the People" are Never the Favored Group

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“Liquidate labor, liquidate stocks, liquidate the farmer, liquidate real estate. It will purge the rottenness out of the system.”—Herbert Hoover’s treasury secretary Andrew Mellon

Governments have never existed to solve problems domestic or international. Governments and their institutions exist merely to further and secure the interests of favored groups, but We the People are never the favored group.

Paul Krugman recently [wrote](#) that

the fact is that the Fed, like the European Central Bank, like the U.S. Congress, like the government of Germany, has decided that avoiding economic disaster is somebody else’s responsibility.

None of this should be happening. As in 1931, Western nations have the resources they need to avoid catastrophe, and indeed to restore prosperity — and we have the added advantage of knowing much more than our great-grandparents did about how depressions happen and how to end them. But knowledge and resources do no good if those who possess them refuse to use them.

And that’s what seems to be happening. The fundamentals of the world economy aren’t, in themselves, all that scary; it’s the almost universal abdication of responsibility that fills me, and many other economists, with a growing sense of dread.

Krugman and most other Americans are fond of blaming social problems on the personal failings of individuals rather than on the systemic failings of institutions. It is people borrowing more than they can afford rather than banks lending too loosely or consumers saving too little rather than businesses paying too little to enable consumers to save that causes all of the problems. But borrowing and lending and saving and income are not independent variables. People are persons with personal failures but banks are institutions with systemic failures, and the systemic failures can entice people to engage in activities that may look like personal failures but are not. Krugman and many others assume that governments and their institutions exist to solve the problems peoples face. When the problems persist, these people again assume that it is because those in government just aren’t doing their jobs. But there is very little historical evidence to support this view.

The government of Louis XVI made scanty attempts to solve the problems of the French

people which ultimately led to the French Revolution. The various governments in the United States in the early 1800 made few attempts to resolve the problems raised by slavery in American society and the Supreme Court made any resolution of them impossible which led to the Civil War. Emperor Franz Joseph of Austro-Hungary made no effort to resolve the ethnic problems his empire faced in the Balkans which ultimately led to the First World War. Great Britain and France made no attempts to ameliorate the problems Germany faced as a result of the conditions imposed on it by the Treaty of Versailles which then resulted in the Second World War. No government has made much of an attempt to resolve the problems created in the Levant by the creation of Israel, and instability, slaughter, and war have prevailed ever since. Now a third world war, an atomic conflagration, may be in the offing.

Domestic and international conflicts are being exacerbated world-wide by similar failures at problem resolution. The Western nations and Israel are not making any serious attempts to resolve their problems with Iran. The only possibility of resolving the problems in Western minds is for Iran to merely conform to what the Western world wants. Western European nations are treating the debt crisis similarly. There is only one resolution: the Southern European states must merely do what the Northern ones say regardless of how it affects the peoples of Southern Europe. And the American Congress is paralyzed by each party's insistence that its way is the only way.

So what is really going on? What are Krugman and others missing? The answer is as plain as sunlight on a cloudless day.

Governments have never existed to solve problems domestic or international. Governments and their institutions exist merely to further and secure the interests of favored groups. For instance, each nation's foreign policy always consists of "protecting our interests" somewhere or other. Whose interests are "our interests"? Why the favored group's, of course. And who are the favored groups? Well, it all depends.

The favored group of European governments is international investors, not the common people of a single European nation. The Greeks can be damned so long as the investors get repaid even though the common people of Greece did not borrow one euro from international investors, the Greek government, which has no income it doesn't take from ordinary Greeks, did, and the investors were not only willing but anxious to lend. The favored group of the Mubarak government in Egypt was the Egyptian military that even after the overthrow of Mubarak is still trying to secure its interests. The favored group in Jordan, Saudi Arabia, Bahrain, Syria, and Yemen is a royal family. In Iraq and Iran, a religious sect is favored. Every one of these governments except, perhaps, Iceland has shown a willingness to kill those common people who are never the favored group.

The United States of America is an extreme case. The Democrats in Congress have their favored groups; so do the Republicans. But the common people is not the favored group of either party, although the politicians pay homage to it. America is comprised of a mass of groups, some favored, some not. Even though the nation's founders warned the Colonists about the danger of factions, every issue in America attracts a faction, and sometime or other, government favors one or more of them. Americans have pro and an anti-immigration factions. Within these, there are pro and anti-Asian factions, pro and anti-Latino factions and within these, Central and South American and Cuban factions. There are pro and anti-gun control factions, abortion factions, contraception factions, labor factions, business factions,

healthcare factions, free and regulated market factions, free trade and protectionist factions, global warming and anti-global warming factions, more and less taxation factions, big and small government factions, federal and states' rights factions, imperialist and anti-imperialist factions, religious and anti-religious factions. Factions here; factions there; disagreement everywhere! Where Americans once believed united we stand, divided we fall, today they believe division secures our group's special interests. And the moneyed groups have made this work by using raw power and bribery.

But the nation? Oh, well, its seams are all coming apart. The nation doesn't matter to factions; only the interests of the favored group does. And that is why American society does not work. It is a nation whose people do not live together; they merely live side by side, where neighbors who have lived side by side for years break into violent conflict over the most trivial of things: a barking dog, a crowing rooster, a loud party, a minor inconvenience as, for instance, a parked car, children playing in someone's yard, a tree-limb extending over a property line, a sign or even an American flag on a pole, the color of a house, the height of a lawn and the kind of plants in it—just some of the recent neighborly conflicts I have observed.

America is a nation comprised of people who revel in conflict. Even the legal system is adversarial. Our cities, or at least parts of them, are war zones. More people are killed daily in America than in Afghanistan. Since Americans can't get along with each other why would anyone expect them to get along with the rest of the world? What makes anyone believe Americans care if Sunni and Shi'as get along?

The human condition will never improve until governments everywhere begin governing for the people, all the people, and none but all the people. So long as governments govern for the benefit of special groups, antagonisms, dislikes, and hatred will prevail; the Earth will seethe with conflict.

Some will say it's just human nature, that human beings have a dark side rooted in greed that cannot be extirpated. If so, we are just like ants where workers and soldiers live merely to provide for queens and their entourages of drones who exist merely to produce more ants, where common people are but beasts of burden that exist for the sake of the greedy. Perhaps this view is accurate, but the best of humanity has never thought so. Only Machiavelli's *The Prince* among thousands of works is renowned for this view (although Ayn Rand may be catching up). Religious and humanitarian works that contest it abound.

The trouble is we have too many people like Paul Krugman. Generally his heart seems to be in the right place; he seems to genuinely care about what happens to people, but he never goes far enough. He and those like him seem never to be able to mine an argument deep enough to find the source of its lode. They stop digging when they get to something that fits their preconceptions, as, for instance, personal human failures.

During an interview on Internet radio, I was once asked, being a veteran, why soldiers fight. The host, I am certain, expected some profound response such as for God and country, for human dignity, for the rights and freedoms our people enjoy. But I merely answered, because they're there!

When we take perfectly normal young Americans off the street and send them into battle, we do not presume that they are inherently killers. After all, killers are bad people. Yet we send these good young men and women off to kill and they do. When they return, we again

do not assume they are killers. We expect them to return to being perfectly normal young men and women. So do bankers do what they do because they're bad people or because they're bankers and banking requires it? Are politicians corrupt because they are bad people or are they corrupt because politics requires it?

People, ask yourselves this question. Do our institutions make us what we are? If our institutions promote greed, will we be greedy, if our institutions promote killing will we be killers, if our institutions promote bribery, will we be bribed, if our institutions promote corruption, will we be corrupt? What will we be when our institutions promote goodness and how can we build such institutions?

The Romans had an expression—*cui prodest?*—meaning “who stands to gain?” Who advocates a specific view isn't important; what is important is who stands to gain from it. Only then can who the view favors be known. But in today's world, *cui prodest?* is too general a question. It is too easy to conjure up arguments that purport to show that many or even all gain. That everyone gains from tax cuts for the rich can be argued *ad infinitum*.

But who stands to gain *the most financially* can't. It always has a specific answer, and if you want to know who the government's favored group is at any time, that is the question that must be answered. When the answer is some group other than the common people, the view must be rejected; otherwise, the human condition is mired in the mud of hate and will never improve, conflict will persist, and the human race will very likely exterminate itself and perhaps life itself.

Jefferson knew that merchants had no country. And that the business of America is business has often been voiced by the established elite and endorsed by the Republican party. The Congress is in gridlock because the Republicans do not care what happens to America or the American people, just so long as their favored constituents' interests are preserved. That is what Paul Krugman and others like him fail to understand. That is why the models of economists, even if any turn out to work, are of no consequence. The only models that matter are those that advance and secure the interests of the favored group. Can the problem of unemployment be solved? Nobody in power really cares! Can the problem of world-wide poverty be solved? Nobody in power really cares! Can peace ever prevail between human beings? Nobody in power really cares! The dead require no benefits, and a very small government will suffice.

Postscript.

Since drafting this piece, I have discovered that three political scientists, Nolan McCarty, Keith Poole, and Howard Rosenthal, have provided empirical evidence for my thesis in *Polarized America: The Dance of Ideology and Unequal Riches*. Their views are summarized in a piece by [Daniel Little](#):

“What is really interesting about this analysis is that it implies that the sizzling rhetoric coming from the right — personal attacks on the President, anti-gay rants, renewed heat around abortion and contraception — is just window dressing. By the evidence of voting records, what the right really cares about is economic issues favoring the affluent — tax cuts, reduced social spending, reduced regulation of business activity, and estate taxes. This isn't to say that the enraged cultural commentators aren't sincere about their personal belief — who knows? But the policies of their party are very consistent, in the analysis offered here. Maybe the best way of understanding the extremist pundits is as a class of

well-paid entertainers, riffing on themes of hatred and cultural fundamentalism that have nothing to do with the real goals of their party.”

There you have it. The people are viewed by the establishment as chickens to be broiled for lunch.

John Kozy is a retired professor of philosophy and logic who writes on social, political, and economic issues. After serving in the U.S. Army during the Korean War, he spent 20 years as a university professor and another 20 years working as a writer. He has published a textbook in formal logic commercially, in academic journals and a small number of commercial magazines, and has written a number of guest editorials for newspapers. His on-line pieces can be found on <http://www.jkozy.com/> and he can be emailed from that site's homepage.

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