

# Thinking with Somebody Else's Head

## Adam Smith Missed the Boat

Our world is dominated by it. And so we tend to believe it's natural. Even that it's divinely ordained. It's created billionaires, and opponents would argue, systemized the destitution of the majority of the world's population.

It's evolved of course, but the origins of capitalism can be traced to one man ... Adam Smith.

Today on thinking with somebody else's head - Adam Smith Missed the Boat.  
I'm Richard Lloyd Jones

Well I'm aware I'm wading into controversial waters by embarking on a critique of Adam Smith, but after living in a so called Third World country for the past five and a half years, I've seen the negative impact of his economic view close up. And it's been, to say the least, illuminating.

I remember an article years ago by Harvard theology professor Harvey Cox about the stock market being like God. It came from his spending a few months observing the business pages. He spent his lifetime studying religion and expected to be in completely foreign territory wading through the Wall Street Journal. Instead, he found the language in the business section to be remarkably similar to Genesis and St. Augustine's City of God.

Capitalism has its share critics, of course. Keynes himself said that Capitalism is the astounding belief that the most wicked of men will do the most wicked of things for the greatest good of everyone. But others have the exactly the opposite view. Ayn Rand was positively rhapsodic in extolling Capitalism's virtues.

But our purpose today is to look at Smith, because his orientation has infused our capitalistic system like DOS floats underneath Windows on your computer. To help with that today we're going to go to a rather unlikely source: an artist. Gilbert Gambucci is a classically trained pianist who's played professionally on three continents. He's also an incisive researcher on Dr. Norberto Keppe's work.

**R: What's the first thing you notice, Gilbert, in looking at Capitalism?**

**G: It's very curious to examine some of the ideas of Adam Smith because during his time, there was the Industrial Revolution, and so there was a problem of what to do with the profits of these industries that didn't exist before. So his idea was that those who invest in the companies should handle the money.**

**Smith had the idea that man is intrinsically good by nature. It's an idea taken from Rousseau, that man is born good and society corrupts him.**

**These ideas of Smith are exactly the opposite of some of the greatest thinkers at the beginning of American civilization, those who formed the Constitution of the United States. For example Alexander Hamilton. He had the idea that human beings are selfish and egoistic and bad intentioned. It is a constant fight – look how interesting this is – it is a constant fight to avoid the predominance of unbalanced individuals.**

**Also Thomas Paine, another great man of the founding fathers, had the idea that it is necessary to impede the excessively greedy from exploiting the gullibility of the masses. They knew very well that the human being has bad intentions. So this is just the opposite of what Smith proposes. It shows that Smith had absolutely no inkling of human pathology. As though dishonesty doesn't exist, or greed, corruption, exploiting one's neighbor instead of serving him.**

**R: Well, Gilbert this is an interesting start to the podcast today because most of us are lacking the basic psychological perspective that will help us understand human behavior better. But that missing psychological knowledge is very well developed here in Brazil, in Doctor Keppe's work. Talk a little more about what Adam Smith missed from this perspective.**

**G: Smith had the idea that these men who owned the capital of industries, that being good hearted fellows they would distribute the wealth. It is a very naive idea and so what happens in capitalism is that the capitalist extracts as much money for himself as he can get away with, and using a little bit to promote himself as a benefactor of humanity.**

It's At this point that we can perceive the difference between democracy and capitalism. Nowadays, we believe that capitalism is an expression of democracy – to the point where people think that the two are the same thing or two facets of the same thing. When, in fact, democracy is a political system. Capitalism is an economic system. Smith's idea opposes the ideas that "all men are created equal." At least democracy tries to consider every one in the society, whereas Smith's system brings the wealth to just a few individuals.

R: I think your consideration here, Gilbert, is very important and links very well with what Keppe says about this. In his book "Liberation of the People" Keppe says, "Adam Smith nourished the human being's megalomania to the utmost degree by fostering the idea that man is good and therefore if left to his own devices he would not only not make mistakes but he would spontaneously help his fellow man. This is precisely the opposite of what Trilogical Psychopathology shows us, which is that the tendency of the individual is to exploit and trick his fellow man and it is necessary to conscientize him of this if he's to stop." And it links back very much, Gilbert, to what you said about the founding fathers of the United States. What else can you say about Smith, Gilbert? Give us another perspective on another idea of his.

G: Another curious idea of Adam Smith that we find in his book "The Wealth of Nations" is this concept of the "invisible hand" guiding economic changes and adaptations. Guiding the marketplace to promote the public good. If economic situations are dishonest, if there is corruption or more exploitation than serving others, then is this influence an angelic influence or a demonic influence? So we must be very careful with this idea of Smith of allowing this "invisible hand" to guide the direction of our economic lives. This is extremely dangerous...

R: And this is not to mention the more obvious manipulation that goes on alongside this spiritual part, Gilbert. The domination of American politics these days by professional lobbyists, the control of the media by very few corporations. But let's get back to Smith ...How else did he miss the boat?

G: For example, one of his principle ideas is that money is the principle wealth – and not what is being produced or who is producing it, the worker, or what benefit it may or may not have to society. So, it doesn't matter if we're producing cigarettes, or cocaine, or cars... What is the principle objective is the

money, the profits. Well, what is the result of that? This places the human being in function of that which generates capital, with this emphasis of generating profits as superior to professional activity. What happened is that our society became inverted in its values. For example, in first place there is banking, commercial trade, economy and relegated to a second place is the arts, culture, science, philosophy of life. When in reality these things that are nowadays secondary, this is the true civilization. Economy is a result of a civilization, it's not the basis of a civilization. If you have a civilization that is artistic, scientific, developing in culture values, then of course you would have an economy as a result.

R: Yeah, many people of course, Gilbert, have focused their critique of capitalism on this aspect to focus totally on the money and this does cause a lot of problems in the world, and you have a unique perspective on this, I think, because you are an artist, linked more with these esthetic qualities you're talking about.

G: Because after all, our quality of life, it doesn't come from having money. It comes from the quality of work that we do for each other and not the amount of money one has. So what we see is that in Adam Smith's complete lack of knowledge of the psychopathology of the human being and his lack of knowledge of true cultural and social values, what Smith actually proposed is the destruction of true human and social values. Imagine, putting the human being as a money making entity, rather than the glorious apogee of creation that we're meant to be.

R: As an artist, as a person linked to trying to perform and create things of beauty and goodness, what's your view of how it could be, how our economic system could be structured? What the ideals could be?

G: As we live in a monetary social system, we've become so mathematically minded, so commercially minded that it is difficult to perceive what would happen if I made a service for you that was each time better and the service that you did for me was each time better and steeped in goodness, with an intention of really helping the others. Then what would happen? You know, if my work became better, your work became better, than other person's work became better, goodness began to flourish more and more, that is to say

serving the others and not seeing what you can take of society. But what you can give to it. What would happen then?

**R:** Kind of flies directly in the face of “he who has the most toys when he dies wins,” doesn’t it? It’s always good to challenge the prevailing ideas that dominate our society. Many times we’ll find we really are actually thinking with somebody else’s head.

**This is Richard Lloyd Jones. Thanks for listening.**