

Are the Rich Necessary?

*Great Economic Arguments
and How They Reflect
Our Personal Values*

UPDATED AND EXPANDED EDITION

A 257393

Hunter Lewis



Contents

A Note on This Edition xv

Part One

The Central Economic Problem..... 1

1. Why Are We Still So Poor?..... 3
2. The Appeal of Science..... 5
3. Economic Arguments..... 9

Part Two

The Rich 13

4. Are the Rich Necessary?—No 15
5. Are the Rich Necessary?—Yes 19

Part Three

The Rich in a Democracy 29

6. Are the Rich Compatible with Democracy?
—No..... 31

7. Are the Rich Compatible with Democracy?
 —Yes 33

Part Four

Profit-making. 41

8. Are Private Profits Necessary?—No 43
 9. Are Private Profits Necessary?—Yes 47
 10. Are Private Profits Necessary?—No/Yes 61

Part Five

Glaring Inequality. 65

11. Are There Alternatives to the Profit System?
 —Yes/No 67
 12. Should We Accept This Degree of Inequality?
 —No/Yes 75

Part Six

Greed. 87

13. Does the Profit System Glorify Greed?
 —Yes 89
 14. Does the Profit System Glorify Greed?
 —Yes, and a Good Thing 95
 15. Does the Profit System Glorify Greed?
 —No 99

Part Seven

Government. 107

16. Can Government Protect Us from the Excesses
 of the Profit System?—Yes 109

17. Can Government Protect Us from the Excesses
of the Profit System?—No..... 115

Part Eight

Profit-making and Depressions 127

18. Does the Profit System Cause Depressions?
—Yes/No 129

Part Nine

Central Banks..... 153

19. Can Central Banks Protect Us
from Depressions and Lead
the Economy?—Yes 155
20. Can Central Banks Protect Us
from Depressions and Lead
the Economy?—No 161

Part Ten

The Global Profit System..... 183

21. Does Global Free Trade Destroy Jobs?
—Yes 185
22. Does Global Free Trade Destroy Jobs?
—No..... 191

Part Eleven

Four Economic Value Systems 201

23. Competing Economic Value Systems..... 203

Part Twelve**Reconciling Opposing Viewpoints 215**

24. Expanding the Nonprofit Sector 217

Appendices 231

A. What Is a “Fair” Price? 233

B. What Exactly Are Profits? 237

C. What Makes Prices Unstable? 241

D. The “Austrian” Theory of
Economic Instability. 251E. Did the US Congress Trigger
the Stock Market Bubble
of the Late 1990s? 289F. Other (Non-monetary) Theories
of the Business Cycle. 293

G. The US Federal Reserve System 303

H. Global Monetary Systems
and Institutions 321I. Summary Outline of *Are the Rich Necessary?* . . 343

Notes 365

Index 387