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# A New Breed Of Horatio Algers

When the United States agreed the other day to protect American automobile interests against raiding by the Japanese, hardly anybody had the poor taste to mention the Republican doctrine of getting government off people's backs.

Suddenly, government was neither too big nor too rich to do a favor for a friend. Apologists for a de facto quota on Japanese cars explained that the entrepreneurial spirit in the United States was in a sickly condition. Until such time as the invalid was back on his feet, government would do what was necessary to arrest a slackening of enterprise and prevent further withering of the national soul.

Much the same explanation accompanies the administration's defense of its budget. The country must reduce taxes and curtail federal spending because the "spirit that made this nation great" supposedly has drifted away on the wind like smoke from a pioneer's campfire.

Although at odds with the facts, President Reagan presented the same line of gibberish as one of the major themes of his campaign. Various troubled authorities—captains of industry, professors of economics, critics in residence—provided a steady supply of reports bemoaning losses of productivity, of profit, of adventurous capitalism. Except when talking about first-round draft choices in the NFL, the authorities describe a nation of timid wage slaves, herded through the cattle pens of corporations, stumbling into swamps of bureaucratic regulation, too intimidated by taxes and regulation to take the old-fashioned risks necessary to lay up treasure not only in Heaven but also in Florida real estate.

Listening to these anthems of despair, I wondered what company the Republicans might be keeping. Perhaps they believed the revelations of *The New York Review of Books*, or maybe they had heard too many of Jimmy Carter's sermons.

My own limited observations suggest that the entrepreneurial spirit never has enjoyed more robust health. Over the last 10 years, the country has given rise to a generation of freebooters as merciless, artful and rapacious as any of its predecessors in the chronicle of American greed. It is hard to get through an airport or hotel lobby without being accosted by somebody with a deal: in silver futures, minimalist painting, fried chicken franchises, genetic engineering or supply-side politicians.

Within the profession, *Venture Capital Journal* keeps the box score and reports that in 1980 the record sum of \$900 million appeared in venture capital markets. The drug trade prospers, and so do pornographers. Cash transactions conducted out of sight of the IRS are estimated to be \$150 billion per annum in an "underground economy." Every week the newspapers announce yet another merger of assets worth as much as the gross national product of Peru. Promoters of cable television scribble deals on the backs of envelopes and hand out road maps to El Dorado. Like speculators in 19th-century railroads, the cable operators have acquired a government subsidy—in the form of a broadcasting license instead of a right of way through the center of town or 100,000 acres in California—and they seek to establish local monopolies.

Never has there been a time so ripe with promises of extravagant return on investment. Why then do the authorities still insist upon so bleak a rhetoric? Perhaps they are objecting to a disorderly redistribution of wealth. Perhaps the wrong sort of people seem to be making all the money.

The present generation of promoters sells theories and services instead of goods, charging exorbitant freight rates for transporting images rather than for shipping wheat or hogs. The cities swarm with agents, lawyers, lobbyists, consultants, analysts and middlemen of a disposition sufficiently predatory to have done credit to the plucky heroes of Horatio Alger. They reap immodest profits from manufacturing expensive paper—tax shelters, joint ventures, buy-outs, federal licenses, tax exemptions, bankruptcies, foundation studies, political slogans, movie rights, acquisitions, takeovers and CIA estimates of the Soviet oil reserves.

Now that it has become easier to achieve a market result through the manipulation of symbols and images—the writing of legislation as well as the minting of celebrity—even members of Congress unknown to FBI agents dressed up like sheiks can think of themselves as entrepreneurs.

The entrepreneurial spirit in the United States has not vanished; rather, it has shifted its field of advantage. The resentment of older and more settled interests—among them the automobile and steel industries, the television networks and the established religions—expresses itself in prophecies of economic and moral collapse. Not being privy to the new division of spoils, advocates of the old capitalist order argue that God is dead.

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