

Money, Markets & the root of all evil

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UNEQUAL FREEDOMS: THE GLOBAL MARKET AS AN ETHICAL SYSTEM

by John McMurtry
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JOHN McMurtry is a professor of philosophy. Not surprisingly, he approaches the topic of the Global Market from the standpoint of ethics. But both the topic and the method are of such weight, and so many themes must be worked together, that it is easy for the reader to get muddled.

It would be simplifying McMurtry's message far too much to crystallize it in the (abbreviated) saying: "Money is the root of all evil". Yet he singles out money as the element which ties the market system together, and he does attack the market system vigorously.

At one point, McMurtry quotes words from a passage from Adam Smith which, McMurtry states, "openly endorse the mass death of children" through the operation of the free market. McMurtry then adds, "Surely only a heinous value system would serenely justify" such an outcome. Surely it would! But surely Adam Smith did not and never would advocate value in the "market" as the overarching principle of social organization.

A great deal of this closely reasoned book is both thoughtful and convincing. It lays stress, however, on the interpretation of Adam Smith by the "marketeers" – those economists who expound "free market", private enterprise and democracy as if together they were a god, an indivisible god.

Having traced the origins of the "free market" theory back to John Locke (1690) and to Adam Smith (1776), and having found both Locke and Smith views were grounded in an "openly moral philosophy", McMurtry looks at the world around him and asks: "What happened?" If the market system was to bring mankind a better life, why do we find armaments and "killing fields", malnutrition, the disappearance of species? We find not life but death, in so many forms. What can explain this deeply disturbing situation?

The modern marketplace has all but left behind the Greek "Agora" with the old practice of open air barter for goods and services. Even by Diogenes' day, (412?-323 B.C.) money had come into use. Indeed, the saying

"The love of money is the mother of all evils" is attributed to Diogenes. By this, Diogenes was saying that, to prefer the money measure of value, as against other values in life, will get us into a lot of trouble. The warning has been repeated by poets, philosophers and clergy for centuries since.

But the use of money has made exchange easy. Money "greases" the wheels of commerce. None of us would want to be without it. As McMurtry lays it out, money has somehow been transmuted from a grease to a fuel, driving our society, rather than serving it.

Money has become, without examination, for almost everyone (including those who study ethics) the measure of all value. Add to that the critical failure to distinguish between wealth and money-demand on wealth.

Latter day "deviations" from the original theory have also contributed to destructive policies widely practiced. As McMurtry says, for 300 years the Locke-Smith formulation of the free market as a dynamic system "continued as the received doctrine", and even today as the "ideology of the global economy", but with "radical changes in meaning." McMurtry includes as "profound deviations" the use of econometrics and monetarism. These "profound deviations" from the Locke-Smith formulation, McMurtry says, have served to "remove its human content". No wonder that today's advisors propose economic, social, and monetary policies which ruin nations!

McMurtry claims, furthermore, that there are "unexposed contradictions" in Locke's arguments regarding both money and private property. The marketeers have been content to leave these contradictions buried. They have thus felt able to defend greed, extravagant riches, and almost all extant evils as acceptable consequences of the market system.

For readers who are less interested in why things have got into a mess, and more in how to get out of it, McMurtry's final chapter is perhaps the most useful. Entitled "The economics of life and death", this describes the market's mutation towards a means of destruction and away from the life-supporting production understood in Smith's *Wealth of Nations*. It recognises and accepts the necessity of "the civil commons", which is what a legitimate government serves and supports, and yet which is distinct from government. It calls for a radical change in the rules governing money creation and money transfer; McMurtry believes this process to be "at the hidden base of our deepest economic problems".

What is missing, he says, is the social body's recognition of "the life-invading value program that disables it....Monetary co-ordinates of value can only judge monetized sequences of value."

This book is a mighty effort to mobilize the global civil commons in a vital struggle.