

Wealth and the commonwealth

BY THOMAS G. PALAIMA

The disparity between rich and poor in our country has increased rapidly over the past decade and continues to grow. The income gap has been discussed in recent weeks by economists and government leaders in Washington and Austin and out on the campaign trail.



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They did not inform us whether the governor has yet seen the hunger he thinks does not exist in our Lone Star State.

Gore and Bradley talk about making sure that the nation's poorer residents are not left behind in the economic boom. A Texanism about looking for a horse in an empty barn applies here. Reality is now, when income for our poorest families has risen since 1990 a mere \$110 unadjusted dollars, while government programs that would help them and their children with hunger and shelter and health care have been reduced or eliminated.

How do we explain what has happened, and why should we be concerned about it? I have a simple answer to the first question. The Bush campaign has answered the second. My answer is "greed." Their answer is "class warfare."

J.P. Morgan, hardly a social radical, believed that no CEO should earn more than 20 times what his workers were paid. Yet the ratios of CEO to worker compensation were 85:1 in 1990 and a phenomenal 419:1 in 1998. Last year, the head of a "big-five" CPA firm spoke to students in the UT Business School about the yearly fortunes earned by partners in his firm. He told them "greed is good" and explained what they needed to do to be good at the greed that was good. But is greed good?

If you were educated in the old days, you might use the phrase "rich as Croesus" to describe the super-wealthy. The Greek historian Herodotus told the story of Croesus as a moral lesson about the ruinous consequences of amassing too much wealth. Croesus, king of Lydia, showed Solon, the Athenian statesman, his royal treasures and asked him to name the happiest man in the world.

Solon had his answer: Tellus the Athenian, a devoted family man who worked hard, supported his wife and children comfortably and died defending Athens in battle. In other words, Tellus was a member of the "solid middle class" and a lot like many Americans who lived through World War II, Tom Brokaw's "greatest generation."

Like J.P. Morgan, most of our 'greatest generation' got the message of the story of Croesus. The ancient Greeks believed strongly in the necessity of hard work. Their "biblical" poet Hesiod advised them, "If you have your heart set on prosperity, then work and work, work, work." But they held an equally strong belief that the concentration of exorbitant wealth in the hands of a small class ultimately divides communities and invites disaster for one and all.

This way of looking at life will only seem outdated if we ignore the clear lessons of classical Athens. The disparity of wealth in pre-democratic Athens, 2600 years ago, had grown so extreme that average citizens (*hoi polloi*) had become deeply indebted to the rich few. In other Greek communities, such situations had led to class warfare and "tyranny." The Athenians wisely appointed Solon as "reconciler," a kind of independent counsel charged with investigating and securing the well-being of the state at large. Solon enacted economic reforms, abolished indebtedness and tied levels of wealth to specific community obligations. Eventually in Athens the richest citizens were obliged to pay for major public works and services. Solon's reforms laid the basis for a democratic society, in fact something LBJ would recognize as a "Great Society," whose positive attainments we have idealized and imitated for good reasons.

If Solon were around today, he would oppose a flat tax that favors the wealthy, he would debunk the 'trickle-down' economic theory that is destroying the promise of a secure life for those of limited abilities and opportunities, and he would close the loopholes in the graduated income tax. He would convince those fortunate enough to prosper that they should support with their tax money the social system that has made their attainment of wealth and security possible. This is the notion of the "commonwealth" that the ancient Athenians practiced and the kind I know my father and many of his generation believed in.

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