

Envy Versus Resentment

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THERE IS AN OLD STORY about two Russian peasants, Boris and Ivan. Both are poor as dirt, the only difference between them being that Boris has a goat and Ivan does not.

One day, a good fairy appears at Ivan's hut and tells him that she can grant him just one wish -- but that it can be anything he wants. Ivan says, "I want that Boris' goat should die."

Variations on this story have appeared in other societies, so this is not about Russians. It is about human nature. The attitude it illustrates is very much part of the politics of our time -- the politics of envy and resentment.

Envy probably does less harm than resentment. If Ivan had merely envied Boris, he could have asked for a goat of his own -- or a herd of goats or a million rubles. But he resented Boris' good fortune and wanted to bring him down. That is the attitude behind many policies of our own times, from estate taxes to anti-trust laws.

Estate taxes bring in relatively little of the vast sums of taxes collected by the federal government. But estate taxes make it hard for people to pass on their farm or business to their children. Often the heirs do not have enough cash on hand to pay the taxes on a farm or business, so they cannot continue to operate it, because they have to sell it in order to get enough money to pay the government. The same applies to a home, especially in places like California, with sky-high housing prices.

Where there is money in an estate, that money has already been taxed while the person was alive. Why should it be taxed again because of death? This is a question about right and wrong, but too often it is looked at in terms of who benefits from getting rid of estate taxes. If it is depicted as "tax cuts for the rich," many will automatically oppose it. They want Boris' goat to die.

In the loose sense in which words are used in Washington, most Americans are going to be "rich" at some point or other in their lives, usually toward the end of their lives. But, since political demagogues do not define their terms, most people think that "the rich" means somebody else, when in fact it includes themselves.

Resentments have corrupted our whole legal system. Not only juries, but judges as well, have brought us dangerously close to the point where every catastrophe is treated as the fault of the nearest person or business with money. Science may say that there is no credible evidence that breast implants cause cancer or other injuries or diseases, but courts have said that the companies making these implants have to pay millions of dollars to the women who have been stricken -- and, of course, to their lawyers.

In anti-trust cases, the fact that the vast majority of consumers prefer one company's product to others is depicted as that company's "control" of the market. And, once you are defined as "controlling" a large share of the market, anything you do to continue to have consumers prefer your product over others can be used as evidence of an attempt at "monopolization." The Microsoft case is only the latest example. Similar reasoning was applied in the past to Kodak, to Alcoa and to others.

Just as Ivan missed a golden opportunity to help himself because of his preoccupation with hurting Boris, so we lessen the benefits that the whole society could get from letting success be rewarded, because of our resentments of those who have earned those rewards. After all, if the money was not gotten from crime, consumers paid the money because they found the benefits they got to be worth it.

The very idea that third parties ought to decide how much money someone should get or keep is as dangerous in practice as it is wrong in principle. Putting that kind of power in the hands of politicians is risking everyone's freedom. However limited that power may be at the outset, it is sure to grow over the years until we are all supplicants of those who hold power, because we can then earn or keep our earnings only as they see fit.

This has all been tried before. The idea of redistributing wealth has usually ended up redistributing poverty. Worse yet, resentments of others blind us to what the power-holders are doing to ourselves. When Hitler was able to get Germans riled up against Jews, the end result was that Germans became subject to his dictatorial power.

Political demagogues here use similar tactics to gain more power. We all pay a very high price to lash out at Boris' goat.