

# Consumers as smart as economic busybodies

There are still 26 shopping days until Christmas, but the nagging has already started. Everybody's got an opinion on how I shop. They may argue with each other, but they agree on one thing: I'm doing it wrong.

Some economists worry I'm not spending enough. These economists are sniffing the fumes of something called Keynesian economics. John Maynard Keynes revamped economic theory in the early 20th century. Economics as a science is still reeling from the blow.

Keynes viewed the economy as something that needed managing by smart people. According to Keynes, saving money might be good, but only up to a point. If ordinary people (like you and me) save too much, the decline in economic activity would lead to recession. In that case, smart people (like John Maynard Keynes) would tell the government to start deficit spending until they decided the recession was over.

Sometime next week, I'm sure I'll read "consumer spending is down". That's bad, right? And I'll lay odds that CNN will give two minutes of air time to some talking head who'll fret that people aren't spending enough to keep the economy going.

Do you ever feel like you should run out and buy stuff you don't really want, just to help "the economy"? That shortness of breath you feel is the dead hand of Keynesian economics, still clutched around our throats.

But if that's not enough, plenty of people are just as sure I will shop too much. Their minions are a little more varied, but they include the usual lefty suspects. Some think capitalism is just plain bad. To them, the ramped-up retail rampage that happens between Thanksgiving and Christmas is typical of our bourgeois, decadent, consumerist society.

Others are a little more philosophical. They still think we live in a consumerist society, they just want me to shop a little less and think about my values a little more. The underlying premise, of course, is I'll start thinking like they do.

The most media-savvy of these is the Church of Stop Shopping, led by Rev. Billy. Rev. Billy wanders into shopping malls, holds cash register exorcisms, and lectures



OPINION  
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about the evils of capitalism. He thinks the best way I could help people supposedly victimized by my economic activity is to stop trading with them. Honest, I don't make this stuff up.

So who is right? Am I shopping too much, or not enough? Busybodies of the left and right agree on one thing: If we're left to ourselves, we'll never get it right. Economic decisions like what we buy and how much we spend are too important to be left to you and me. They need to be turned over to smarter, morally better people.

In protest to the dogma of Keynesians and the catastrophes of Rev. Billy, I'd like to spread the heresy that neither the bureaucrats (who claim superior minds) nor the moralizers (who claim superior hearts) deserve any claim on how we act. The economic decisions we make in our personal lives are overwhelmingly likely to be right. Period.

On the economic side, the wealth we earn and decide not to spend is made available as capital, through banks, stocks, or whatever we decide to save it in. That in turn makes new economic ventures possible (provided government policies don't get in the way). No matter how stupid Keynes thought we were, the money we choose not to spend at the mall doesn't wind up in a mattress.

On the "values" side, economic growth ultimately benefits everybody. That's why it happens. The overwhelming evidence of history is that coming between willing buyers and sellers makes the world worse off. That hurts people instead of helping them.

I know this is heretical to say, but America is not a consumerist society. We are a society that permits people to consume. Understanding that distinction is the key to understanding America.

Bottom line? Shop as much, or as little as you want. Give your money to charity, sock it away in a CD, or splurge on your friends and family. If it's an informed, honest decision, it's the right decision.

That's because it's your decision, and yours alone. Don't let the busybodies tell you otherwise.

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