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# John Kenneth Galbraith: A Great American

By [Paul Craig Roberts](#)

A great American has passed away—[John Kenneth Galbraith](#). He was 97 years old and still involved with the issues of our time.

Galbraith's most famous book is [The Affluent Society](#) (1958). In this book Galbraith argued that Americans were good at making money, but neglectful of the wider public interest.

Alas, the same is true today. The environment always suffers from the greed of developers and a number of other well organized interest groups that pull political strings. I have seen enough in my life to know that Galbraith was right that the **"free market"** is not always the answer. All too often, the **"free market"** is merely organized interests pulling political strings behind ideological cover.

Today the greed of CEOs and short-term shareholders is destroying the American middle class. Why pay an American to do a job that can be outsourced to a foreigner for far less cost or performed by a foreigner brought in on a [H-1B](#) or [L-1](#) visa. American organizations and their public relations operatives spread disinformation that there are shortages of engineers, nurses, schoolteachers, and so on in America, and that the need has to be met by bringing in foreigners at less pay.

Offshoring of jobs and manufacturing are said to benefit Americans with lower prices, thus making them richer even as they lose their professional and middle class jobs. **"Free market"** economists, subservient to ideology or business research grants, produce **"studies"** that reassure the Americans who are being decimated that giving their jobs to lesser paid foreigners is good for America. Just shut up and quit being so selfish. Millions of people are better off buying [Wal-Mart's Chinese-produced goods](#) thanks to your lost job.

One obvious problem with these claims is that when Americans lose good jobs to foreigners, the American economy loses consumer buying power. The corporations and their paid for economists are maximizing short-run CEO bonuses and short-run shareholder capital gains at the expense of the American consumer market and long-term strength of the US economy. The corporations think they will be able to sell to mass Chinese and Indian markets, but, of course, access to those consumer markets will be blocked by those governments once their domestic firms have the western technologies.

Galbraith could puncture the inanities that pass for "**free market economics**" better than anyone. Don't read me wrongly. There is a tremendous case for market economics. The fallibility of government is a well documented story. I am saying that there are a large number of special interests that [disguise themselves](#) with free market claims, and that these special interests, not true free market economics, determine US policy.

Today we need Galbraith more than we did in his own time. [American economists](#) have made themselves irrelevant. They don't address real issues. Lost in abstractions and ideology, the economy collapses around them while they give assurances that all is well.

America owes its former economic greatness to World War I and World War II, which destroyed Europe and Japan and left the US as the only manufacturer. As part of its cold war strategy, America gave itself away and has today a hollowed out economy based on consumer debt.

Under the Bush regime, the price of gold has sky-rocketed from \$240 an ounce to \$660 per ounce. That tells us something about the confidence the world has in the dollar as reserve currency.

John Kenneth Galbraith [said](#) "**the total alteration in underlying circumstances has not been squarely faced. As a result, we are guided, in part, by ideas that are relevant to another world.**"

His words are more true today than when he wrote them.

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